

NDPERS BOARD MEETING

Agenda

Bismarck Location:
ND Association of Counties
1661 Capitol Way
Fargo Location:
BCBS, 4510 13th Ave SW

June 21, 2007

Time: 8:30 AM

I. MINUTES

A. May 17, 2007

II. GROUP INSURANCE

- A. Retiree Committee – Sparb (Board Action)
- B. Medicare Part D Update – BCBS (Board Action)
- C. Asheville Project – Sparb (Board Action)
- D. Smoking Cessation Program – Kathy (Board Action)
- E. Temporary Employees – Kathy (Board Action)
- F. Retiree Medical – Sparb and Rebecca (Information)
- G. Surplus/Affordability Update – Bryan (Information)

III. DEFERRED COMP

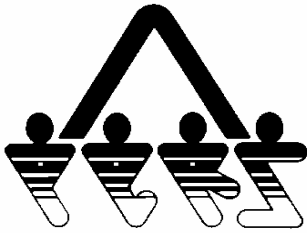
- A. 457 and 401(a) Plans 1st Quarter 2007 Reports – Bryan (Board Action)
- B. Deferred Comp Enrollment – Kathy (Information)
- C. ING Suspension – Kathy (Board Action)

IV. LASR UPDATE – Deb (Information)

V. MISCELLANEOUS

- A. 2006 and 2007 Business Plans – Sparb (Information)
- B. Board Election – Kathy (Board Action)
- C. Legislative Employee Benefits Committee – Sparb (Information)
- D. Audit Committee Minutes – (Information)
- E. SIB Agenda
- F. NAGDCA Meeting – Sparb (Board Action)
- G. Executive Director Review – Jon

Any individual requiring an auxiliary aid or service must contact the NDPERS ADA Coordinator at 328-3900, at least 5 business days before the scheduled meeting.



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

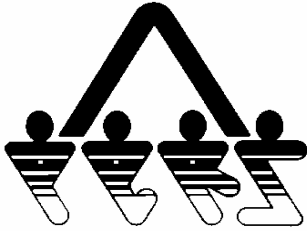
TO: PERS Board
FROM: Sparb
DATE: June 13, 2007
SUBJECT: Retiree Committee

One of the work items in the business plan was to establish a retiree committee to review the retiree health plan and make recommendation for changes based upon the legislation that was approved last session, Part D and other information. I am suggesting the committee be composed of:

2 retirees from each of the retiree organizations
1 representative from the staff of each of the retiree organizations
Past PERS retiree representatives (Weldee)
Ron Leingang

Board Action Requested

To approve the above committee.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: June 13, 2007
SUBJECT: Medicare Part D Update

Representatives from BCBS will be at the Board meeting to review the attached update on the Medicare Part D program. You will note part of the presentation deals with a new option for handling the formulary. Staff is recommending you forward this to the retiree committee for their review and comment.

Board Action Requested

Refer the proposal on the formulary to the retiree committee for review.



2006 NDPERS Annual Part D Overview MedicareBlueRx

*Presented by:
Larry Brooks, BCBSND*



- Review
 - The Players
 - The Challenges
- 2006 Utilization Summary
 - Annual Comparisons
 - Member Services
- Implemented Changes for 2007 (in place today)
- Proposed Changes for 2008
- Timelines



The Players

- CMS – Center of Medicare Services
- RAS (Regional Alliance....
 - Representing 7 states: Iowa, Minnesota, Montana, North Dakota, Nebraska, South Dakota, Wyoming
- MedicareBlueRx
 - Offers a number of plans including Individual and Group products
 - NDPERS has Option E (group specific)
- Prime Therapeutics (claims processor and lead vender)
 - Pearson (enrollment)
 - TMG (technical)
- BCBSND
- NDPERS
- Medicare Retiree Members



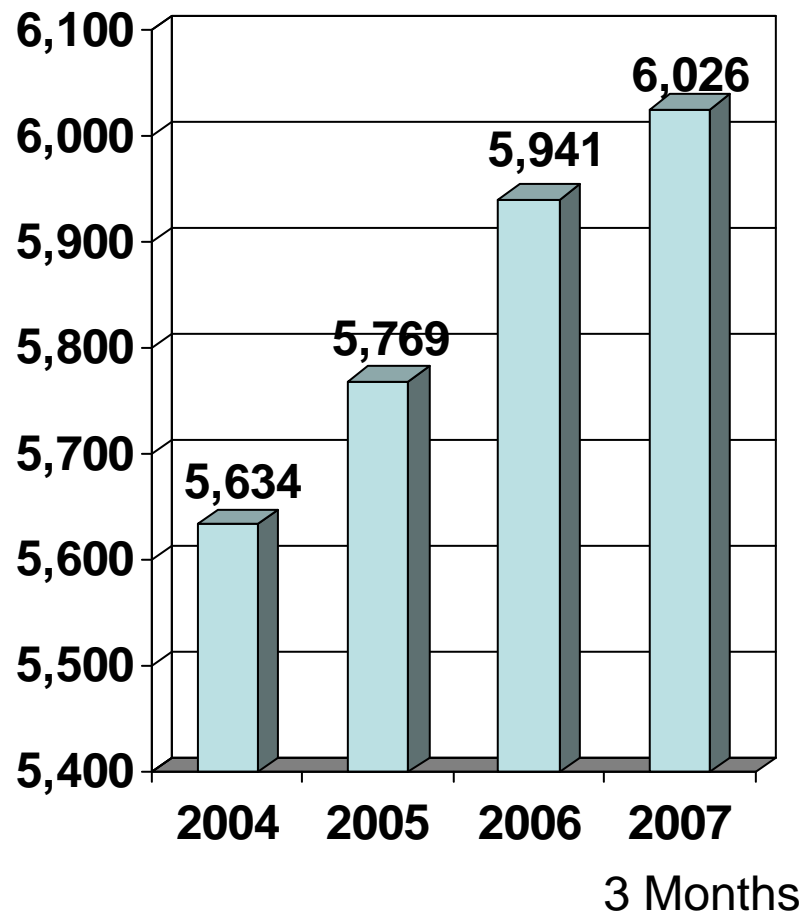
The Challenges

- Too big of a change, too soon
- The ISSUES
 - Enrollment
 - Processing
 - Call Center
 - Communications
- Most situations are being addressed and getting better, still working through some enrollment issues
- PERS has unique benefit plan
 - Only Regional product with copay & coinsurance application



Enrollment

Average No. of Members per Month

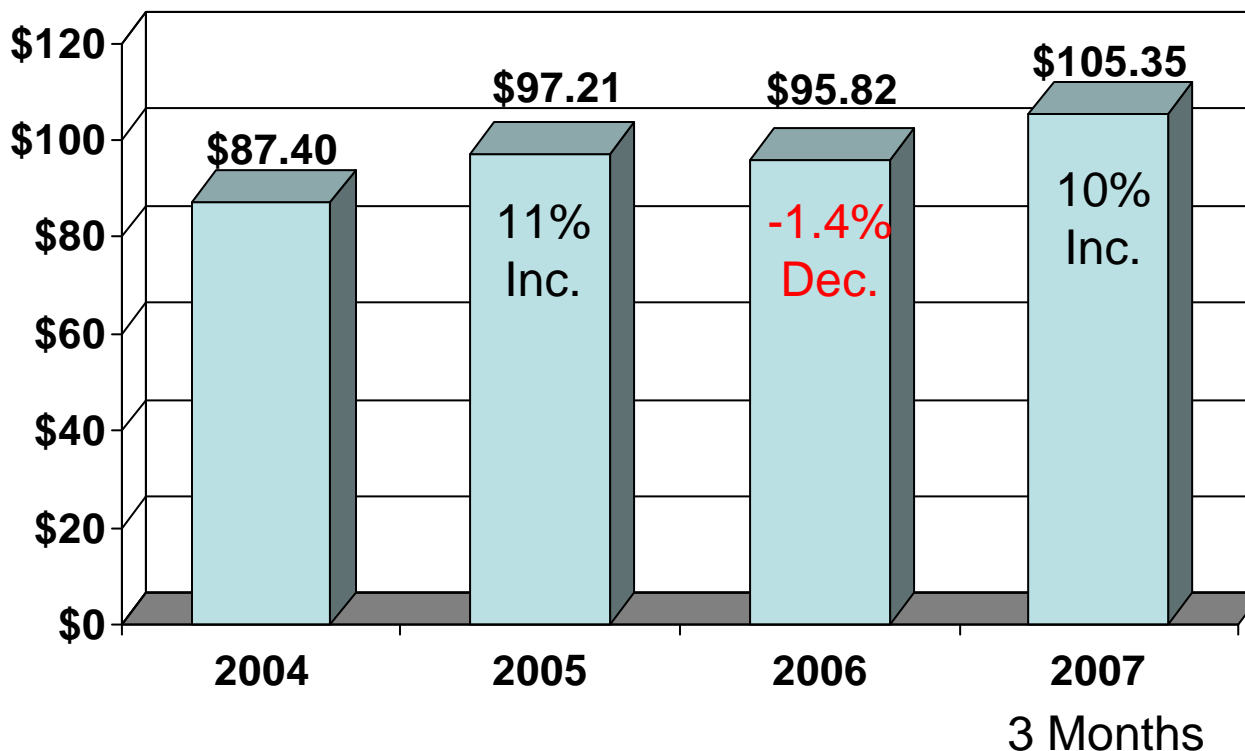


- Membership steadily increasing
- Since 2004, average members per month has risen 7%



2006 Utilization Trends

Plan Payments PMPM



* Since 2004, payments PMPM have risen 20%.



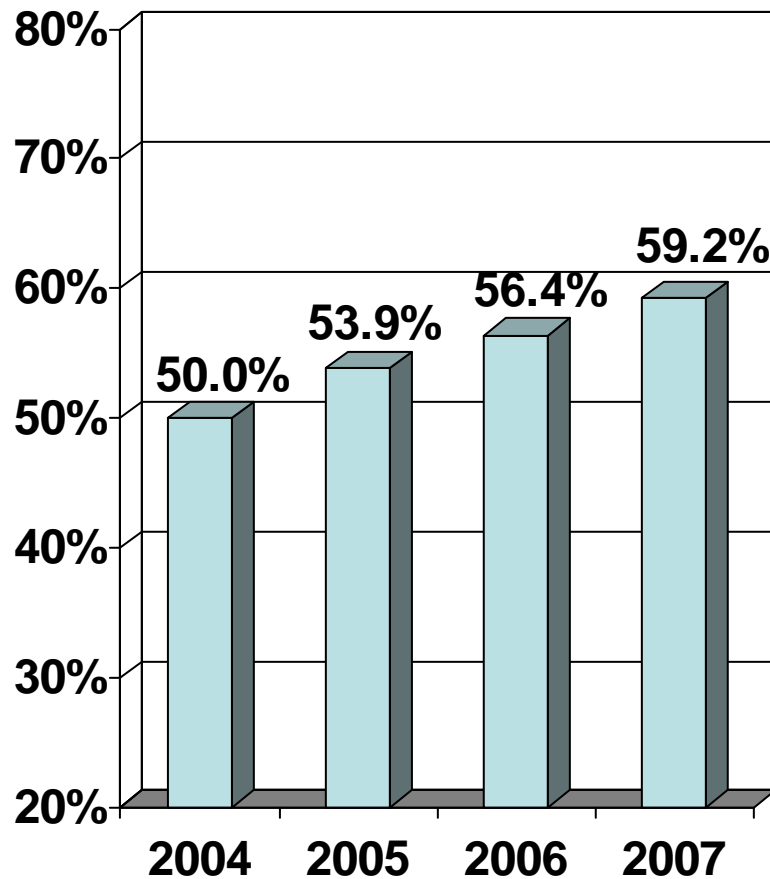
2006 Utilization Trends

- Formulary compliance rate consistently at 88% per year
- Number of mail order claims has increased steadily during 2006 and 2007 (thru March)
 - 2004 & 2005 – no claims
 - 2006 – 5.4% of total claims (9,030)
 - 2007 – 8.4% of total claims (3,776)



Generic Utilization

Generic Utilization Rate



- Historically, retiree members experience better generic utilization rate than active members.
- 59.2% is excellent!
- Percent of total payments for generics is between 20% and 23%



- Top drugs based on Total Paid
 - Lipitor
 - Fosamax
 - Advair Diskus
 - Plavix
 - Norvasc
- All brand name drugs



2006 Member Services

- After a rough January, 2006, results improving during 2006
 - Statistics are total RAS-wide
 - Data elements are not tracked by Group
 - Improvements have been made to entire process
 - Process improvements are always monitored for quality assurance



- Formulary changes implemented January 1
 - Specialty tier (paid at Brand Formulary level)
 - Supplemental Drug Program - Some formerly excluded drugs (paid at 75%)
 - Other formulary adjustments



Proposed 2008 changes

- Raise copay to \$20 for Level 2 Formulary Preferred Brands & Level 4 Formulary Specialty (consistent with change to actives)?
- Introduce “Ideal” formulary



- 2008 rating to be based on claims PAID through June 30, 2007
 - Historical data available July 15
 - Rates to be finalized by August 15
 - Between July 15 and August 15, final determination of RAS and formulary changes, PERS enhancements
- Final rates sent to PERS staff, August 31
- Board consideration at Sept 20 meeting
- Mailing to members complete by Oct 31



- MedicareBlueRx effective Jan 1, 2006
- Challenges early on
- Part D payments PMPM steady during 2006, indicating an increase early in 2007
- Proposed 2008 changes
- Timelines for 2008 implementation tight, but doable



Questions?

Plan Performance Summary

Summary Data

2006 Group MedicareBlue Rx - NDPERS

Page:	Run Date:	Data Through Date:	Created By:	Printed By:
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Carrier(s):	ERP25G
Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product ID(s):	ALL
Date Range:	01/2006 - 12/2006 (Date of Service)
Query Filters Applied:	The Cost and Utilization query retrieves only those records where Price Type is not null.

	Total	Retail	Mail	Member Submitted
Utilization				
Avg. Eligible Members/Month	5,941			
Total Claims	167,624	158,485	9,030	109
Distribution of Claims	100.0%	94.5%	5.4%	0.1%
SSBrand Total Claims	68,275	64,358	3,883	34
MSBrand Total Claims	4,787	4,544	237	6
Generic Total Claims	94,562	89,583	4,910	69
Eligible Member Util Rate/Year	28.21	26.67	1.52	0.02
Eligible Member Util Rate/Month	2.35	2.22	0.13	0.00
Total Cost				
Total Cost	\$10,841,471	\$9,950,439	\$885,417	\$5,615
Avg. Total Cost/Claim	\$64.68	\$62.78	\$98.05	\$51.51
Total Cost PMPY	\$1,824.75	\$1,674.78	\$149.03	\$0.95
Total Cost PMPM	\$152.06	\$139.57	\$12.42	\$0.08
Ingredient Cost	\$10,436,253	\$9,546,772	\$883,956	\$5,526
SSBrand Ingredient Cost	\$8,068,242	\$7,384,843	\$679,364	\$4,035
MSBrand Ingredient Cost	\$266,489	\$249,184	\$17,083	\$222
Generic Ingredient Cost	\$2,101,523	\$1,912,745	\$187,508	\$1,269
Plan Paid				
Plan Paid	\$6,831,465	\$6,242,255	\$585,816	\$3,393
Avg. Plan Paid/Claim	\$40.75	\$39.39	\$64.87	\$31.13
Plan Paid PMPY	\$1,149.82	\$1,050.65	\$98.60	\$0.57
Plan Paid PMPM	\$95.82	\$87.55	\$8.22	\$0.05
Distribution of Plan Paid	100.0%	91.4%	8.6%	0.0%
Percent of Total Cost	63.0%	62.7%	66.2%	60.4%

Plan Performance Summary

Summary Data

2006 Group MedicareBlue Rx - NDPERS

Page:	Run Date:	Data Through Date:	Created By:	Printed By:
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Carrier(s):	ERP25G
Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product ID(s):	ALL
Date Range:	01/2006 - 12/2006 (Date of Service)
Query Filters Applied:	The Cost and Utilization query retrieves only those records where Price Type is not null.

	Total	Retail	Mail	Member Submitted
Member Contribution				
Total Member Contribution	\$4,010,007	\$3,708,184	\$299,601	\$2,222
Avg. Member Contribution/Claim	\$23.92	\$23.40	\$33.18	\$20.38
Avg. Member Contribution/Brand	\$45.10	\$44.14	\$61.13	\$45.47
Avg. Member Contribution/Generic	\$7.57	\$7.45	\$9.73	\$5.84
Avg. Member Contribution/Formulary	\$19.19	\$18.70	\$27.62	\$12.12
Avg. Member Contribution/Non-Formulary	\$58.57	\$57.34	\$85.55	\$68.39
Percent of Total Cost	37.0%	37.3%	33.8%	39.6%
Pricing / Network Performance				
Avg. Ingredient Cost/Claim	\$62.26	\$60.24	\$97.89	\$50.69
Avg. Ingredient Cost/Claim - SSBrand	118.17	114.75	174.96	118.66
Avg. Ingredient Cost/Claim - MSBrand	\$55.67	\$54.84	\$72.08	\$37.03
Avg. Ingredient Cost/Claim - Generic	\$22.22	\$21.35	\$38.19	\$18.39
Avg. Ingredient Cost/Claim - Formulary	\$56.86	\$54.77	\$92.60	\$38.09
Avg. Ingredient Cost/Claim - Non-Formulary	\$101.83	\$99.75	\$147.73	\$123.96
Percent of Claims Paid at U/C	2.6%	2.1%	11.1%	56.0%
Percent of MAC Reduced Claims	45.9%	48.6%	0.0%	26.6%
Drug Mix				
SSBrand Claims - Percent of Total	40.7%	40.6%	43.0%	31.2%
MSBrand Claims - Percent of Total	2.9%	2.9%	2.6%	5.5%
Generic Claims - Percent of Total	56.4%	56.5%	54.4%	63.3%
Generic Substitution Rate	96.2%	96.2%	95.8%	92.0%
Formulary Compliance	88.0%	87.9%	90.4%	85.3%
Days Supply				
Avg. Days Supply	39.5	37.2	79.9	20.7
Avg. Plan Paid/Day Supply	\$1.03	\$1.06	\$0.81	\$1.50
Days Supply	6,625,078	5,900,887	721,931	2,260
Distribution of Days Supply	100.0%	89.1%	10.9%	0.0%

Top Drugs by Brand Name - Group

Ranking Report

2006 Group MedicareBlue Rx - NDPERS

Carrier(s):	ERP25G
Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Groups:	ALL
Products:	ALL
GPI Class:	ALL
Date Range:	01/2006 - 12/2006 (Date of Service)
Ranking/Sorting:	Top 10 by Plan Paid

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012000 - NDPERS

			Brand Name	Therapeutic Class Descr	Plan Paid	Plan Paid Pct	Gen Paid Pct	Mbr Contrib Pct	Claims	Claim Pct	Gen Claim Pct	Mail Order Claim Pct	Plan Paid / Days Supply	Plan Paid / Claim	Mbr Contrib / Claim
M	P	D	LIPITOR	ANTIHYPERLIPIDEMICS	\$501,714	7.4%	0.0%	33.6%	6,054	3.6%	0.0%	9.6%	\$1.53	\$82.87	\$41.92
M	P	D	FOSAMAX	ENDOCRINE AND METABOLIC AGENTS - MISC.	\$187,390	2.7%	0.0%	34.2%	2,437	1.5%	0.0%	9.0%	\$1.70	\$76.89	\$40.03
M	P	D	ADVAIR DISKUS	ANTIASTHMATIC AND BRONCHODILATOR AGENTS	\$182,380	2.7%	0.0%	30.5%	1,450	0.9%	0.0%	1.2%	\$3.88	\$125.78	\$55.08
M	P	D	PLAVIX	HEMATOLOGICAL AGENTS - MISC.	\$176,561	2.6%	0.0%	30.6%	1,557	0.9%	0.0%	3.0%	\$2.94	\$113.40	\$50.09
M	P	D	NORVASC	CALCIUM CHANNEL BLOCKERS	\$174,231	2.6%	0.0%	36.7%	3,135	1.9%	0.0%	7.4%	\$1.14	\$55.58	\$32.19
M	P	D	PROTONIX	ULCER DRUGS	\$173,858	2.5%	0.0%	32.7%	2,008	1.2%	0.0%	3.8%	\$2.60	\$86.58	\$42.05
M	P	D	ZETIA	ANTIHYPERLIPIDEMICS	\$115,895	1.7%	0.0%	33.9%	1,400	0.8%	0.0%	8.2%	\$1.77	\$82.78	\$42.54
M	P	D	SIMVASTATIN	ANTIHYPERLIPIDEMICS	\$104,209	1.5%	98.0%	17.4%	950	0.6%	98.8%	7.8%	\$2.12	\$109.69	\$23.15
M	P	D	ZOCOR	ANTIHYPERLIPIDEMICS	\$96,045	1.4%	0.0%	30.8%	809	0.5%	0.0%	8.4%	\$2.37	\$118.72	\$52.86
M	P	D	EVISTA	ENDOCRINE AND METABOLIC AGENTS - MISC.	\$94,162	1.4%	0.0%	32.3%	961	0.6%	0.0%	8.3%	\$1.96	\$97.98	\$46.80
Subtotal for Ranked Records :					\$1,806,444	26.5%	5.7%	32.4%	20,761	12.4%	4.5%	7.3%	\$1.87	\$87.01	\$41.61
Total for 012000 - NDPERS:					\$6,821,140	100.0%	23.3%	37.0%	167,392	100.0%	56.4%	4.9%	\$1.03	\$40.75	\$23.96

Utilization Summary - Group

Data Summary

2006 Group MedicareBlue Rx - NDPERS

Carrier(s):	ERP25G
Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product(s):	ALL
Date Range:	01/01/2006 - 12/31/2006 (Date of Service)

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Population Description	Member Months	Util. Members Pct	# Claim	Gen Claim Pct	Pct Filled Mail Claims	Total Paid	Plan Paid Pct	Mbr Paid Pct	Plan Paid PMPM	Appr. Ing. Cost / Claim	Disp. Fee / Claim	Tax / Claim	Cost Brand / Claim	Cost Generic / Claim
ERP25G - NDPDPG - 012000 - NDPERS	71,296	69.2%	167,294	56.4%	5.0%	\$10,826,425	63.0%	37.0%	\$95.62	\$62.30	\$2.35	\$0.06	\$116.56	\$24.67
	71,296	69.2%	167,294	56.4%	5.0%	\$10,826,425	63.0%	37.0%	\$95.62	\$62.30	\$2.35	\$0.06	\$116.56	\$24.67

Key Performance Indicators by Month

Indicators

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Carrier(s):	ERP25G
Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product ID(s):	ALL
Selected KPI:	Plan Paid PMPM
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	JAN 2007	DEC 2006	Chg Pct	JAN 2006	Chg Pct
Average Eligible Members Per Month	6,010	6,006	.1%	5,807	3.5%
Average Utilizing Members Per Month	4,356	4,314	1.0%	3,728	16.8%
Average Percent Utilizing Members	72.5%	71.8%	.9%	64.2%	12.9%
Total Paid Amount	\$1,056,380	\$1,012,671	4.3%	\$782,077	35.1%
Plan Paid Amount	\$681,007	\$663,973	2.6%	\$469,921	44.9%
Total Paid PMPM	\$175.77	\$168.61	4.2%	\$134.68	30.5%
Plan Paid PMPM	\$113.31	\$110.55	2.5%	\$80.92	40.0%
Total Number of RXs	15,923	14,873	7.1%	12,347	29.0%
Prescriptions PMPY	31.79	29.72	7.0%	25.51	24.6%
Percent SSBrand	38.2%	39.2%	-2.7%	44.1%	-13.3%
Percent MSBrand w/Sub	2.1%	2.1%	2.2%	2.3%	-8.0%
Percent MSBrand w/o Sub	0.5%	0.6%	-18.9%	0.6%	-14.9%
Percent Generic	59.2%	58.1%	1.9%	53.0%	11.6%
Percent Generic Substitution	96.5%	96.5%	-0.0%	95.8%	.7%
Percent Formulary Adherence	87.7%	88.5%	-.9%	86.1%	2.0%
Average Plan Paid per Rx - SSBrand	\$80.76	\$81.76	-1.2%	\$67.14	20.3%
Average Plan Paid per Rx - MSBrand w/Sub	\$20.80	\$19.46	6.8%	\$13.04	59.5%
Average Plan Paid per Rx - MSBrand w/o Sub	\$49.09	\$52.50	-6.5%	\$20.41	140.6%
Average Plan Paid per Rx - Generic	\$49.09	\$52.50	-6.5%	\$20.41	140.6%
Percent of Total Paid - Plan Paid	64.5%	65.6%	-1.7%	60.1%	7.3%
Percent of Total Paid - Member Contribution	35.5%	34.4%	3.2%	39.9%	-11.0%
Average Ingredient Cost per Rx	\$63.93	\$65.66	-2.6%	\$61.05	4.7%
Average Member Paid per Rx	\$23.57	\$23.45	.6%	\$25.28	-6.8%
Average Plan Paid per Rx	\$42.77	\$44.64	-4.2%	\$38.06	12.4%

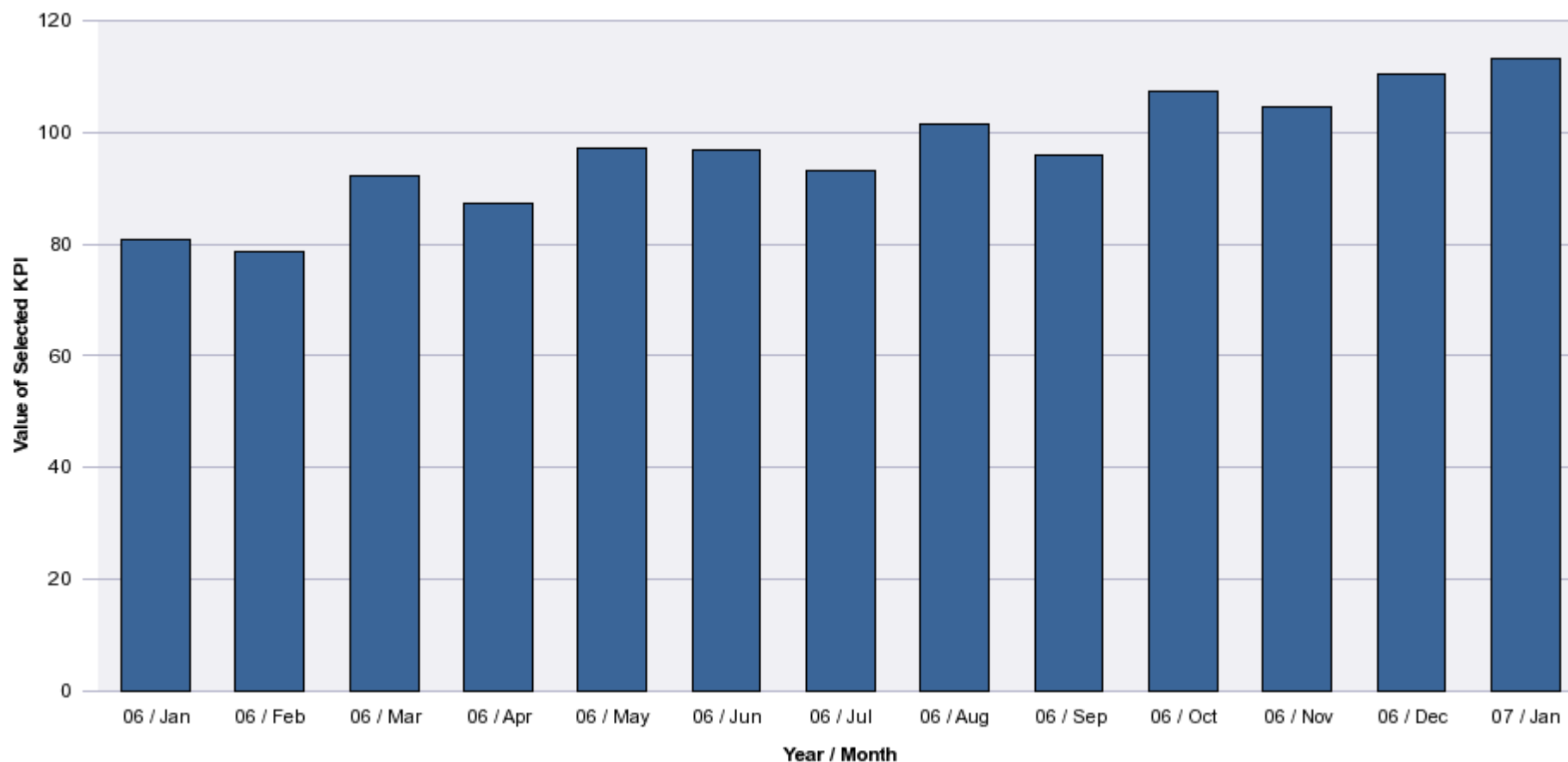


Key Performance Indicators by Month

Graph

Carrier(s):	ERP25G
Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product ID(s):	ALL
Selected KPI:	Plan Paid PMPM
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Key Performance Indicators by Month

Indicators

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Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product ID(s):	ALL
Selected KPI:	Plan Paid PMPM
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	MAR 2007	FEB 2007	Chg Pct	MAR 2006	Chg Pct
Average Eligible Members Per Month	6,035	6,035	.0%	5,891	2.4%
Average Utilizing Members Per Month	4,300	4,195	2.5%	4,026	6.8%
Average Percent Utilizing Members	71.3%	69.5%	2.5%	68.3%	4.3%
Total Paid Amount	\$991,063	\$911,191	8.8%	\$892,998	11.0%
Plan Paid Amount	\$635,392	\$586,688	8.3%	\$544,077	16.8%
Total Paid PMPM	\$164.22	\$150.98	8.8%	\$151.59	8.3%
Plan Paid PMPM	\$105.28	\$97.21	8.3%	\$92.36	14.0%
Total Number of RXs	15,218	14,022	8.5%	13,963	9.0%
Prescriptions PMPY	30.26	27.88	8.5%	28.44	6.4%
Percent SSBrand	37.8%	38.3%	-1.5%	42.8%	-11.8%
Percent MSBrand w/Sub	2.3%	2.0%	17.4%	2.2%	6.5%
Percent MSBrand w/o Sub	0.6%	0.6%	8.5%	0.6%	6.7%
Percent Generic	59.3%	59.1%	.3%	54.4%	9.1%
Percent Generic Substitution	96.2%	96.8%	-.5%	96.2%	.1%
Percent Formulary Adherence	87.6%	87.9%	-.3%	86.5%	1.3%
Average Plan Paid per Rx - SSBrand	\$81.56	\$80.11	1.8%	\$69.45	17.4%
Average Plan Paid per Rx - MSBrand w/Sub	\$22.91	\$22.49	1.9%	\$13.06	75.4%
Average Plan Paid per Rx - MSBrand w/o Sub	\$29.44	\$22.13	33.1%	\$21.02	40.0%
Average Plan Paid per Rx - Generic	\$29.44	\$22.13	33.1%	\$21.02	40.0%
Percent of Total Paid - Plan Paid	64.1%	64.4%	-.4%	60.9%	5.2%
Percent of Total Paid - Member Contribution	35.9%	35.6%	.8%	39.1%	-8.2%
Average Ingredient Cost per Rx	\$62.76	\$62.62	.2%	\$61.59	1.9%
Average Member Paid per Rx	\$23.37	\$23.14	1.0%	\$24.99	-6.5%
Average Plan Paid per Rx	\$41.75	\$41.84	-.2%	\$38.97	7.2%

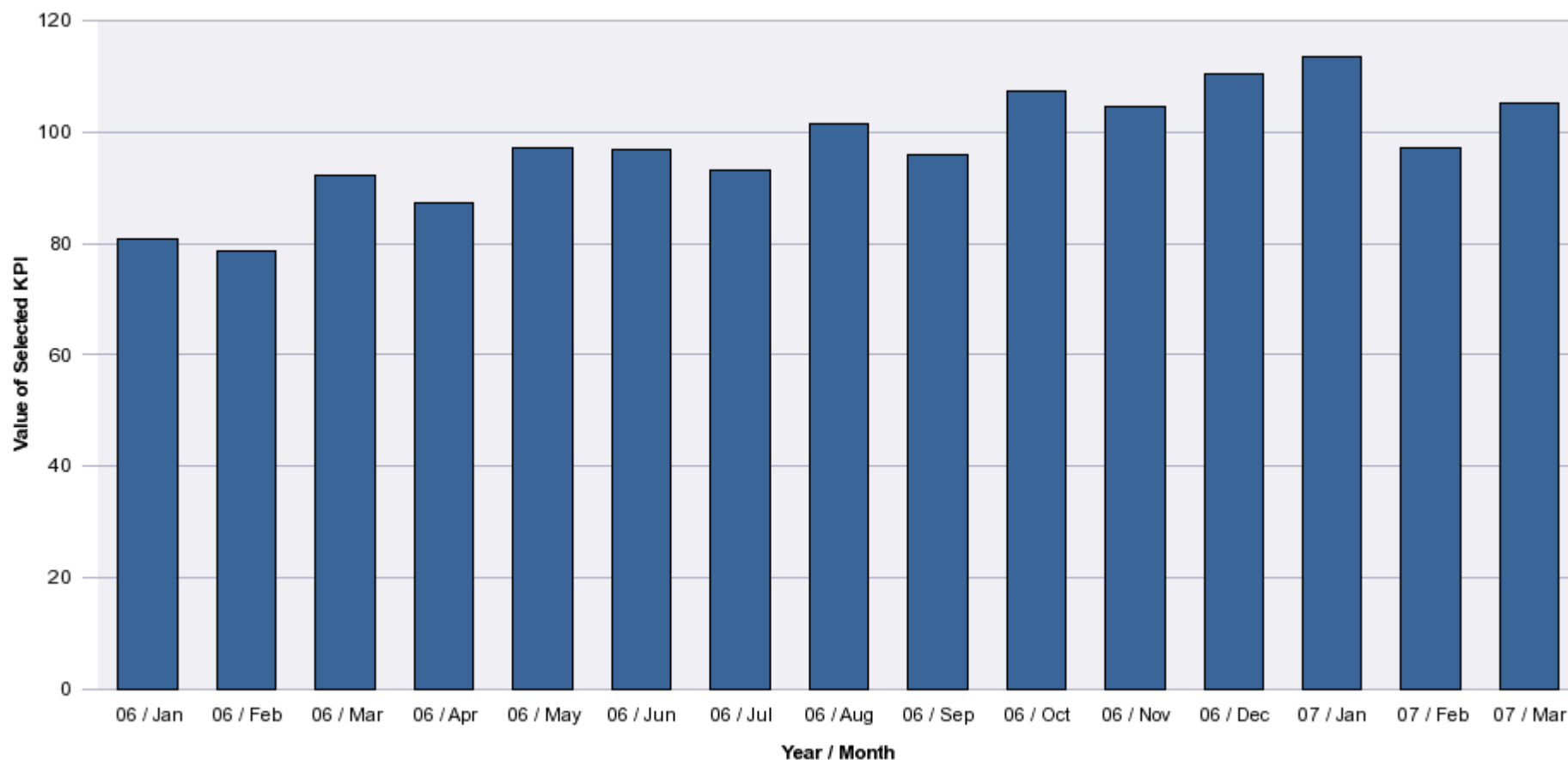


Key Performance Indicators by Month

Graph

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Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product ID(s):	ALL
Selected KPI:	Plan Paid PMPM
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Group Summary

Prescription Drug Program

1st Qtr 2006/2007 Comparison Group MedicareBlue Rx - NDPERS

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Carrier(s):	ERP25G
Account(s):	ERP25G - NDPDPG
Group(s):	ERP25G - NDPDPG - 012000
Master Group(s):	ALL
Product ID(s):	ALL
Population Description:	
Current Period:	01/2007 - 03/2007 (Date of Service)
Previous Period:	01/2006 - 03/2006 (Date of Service)

Membership Information	Current Period	Previous Period	Change
Average Members per Month	6,026	5,856	2.9%
Average Utilizing Members per Month	4,285	3,852	11.2%
Average Member Age	73.6	74.0	-0.5%

Total Cost	Current Period	Previous Period	Change
Net Paid Claims	45,187	38,218	18.2%
Total Cost	\$2,959,976	\$2,439,741	21.3%
Total Member Contribution	\$1,055,256	\$963,017	9.6%
Total Plan Paid	\$1,904,720	\$1,476,724	29.0%

Cost & Utilization per Member per Month	Current Period	Previous Period	Change
Total Cost per Member per Month	\$163.72	\$138.87	17.9%
Total Plan Paid per Member per Month	\$105.35	\$84.05	25.3%
Average Net Claims per Member per Month	2.5	2.18	14.9%

Average Cost per Net Claim	Current Period	Previous Period	Change
Average Ingredient Cost per Net Claim	\$63.12	\$61.49	2.6%
Average Dispensing Fee	\$2.33	\$2.27	2.6%
Average Total Cost per Net Claim	\$65.51	\$63.84	2.6%
Average Plan Paid per Net Claim	\$42.15	\$38.64	9.1%
Average Member Contribution per Net Claim	\$23.35	\$25.20	-7.3%
Member Contribution Pct	35.7%	39.5%	-3.8 pts.
Generic Substitution Pct	96.5%	96.0%	0.5 pts.
Formulary Adherence Pct	87.8%	86.3%	1.5 pts.

Utilization Mix by Drug Type	Claims	Pct	Plan Paid	Pct	Averages	Plan Paid/Claim	Day Supply	Plan Paid/Day
SSBrand	17,207	38.1%	\$1,445,721	75.9%		\$84.02	39.5	\$2.13
MSBrand w/Subt	969	2.1%	\$21,339	1.1%		\$22.02	50.2	\$0.44
MSBrand w/o Subt	251	0.6%	\$8,364	0.4%		\$33.32	26.1	\$1.28
Generic	26,760	59.2%	\$429,295	22.5%		\$16.04	39.2	\$0.41

Utilization Mix by Pharmacy Type	Claims	Pct	Plan Paid	Pct	Averages	Plan Paid/Claim	Day Supply	Plan Paid/Day
Mail	3,776	8.4%	\$245,815	12.9%		\$65.10	79.9	\$0.81
Retail	41,411	91.6%	\$1,658,905	87.1%		\$40.06	35.8	\$1.12

Group Summary

Prescription Drug Program

1st Qtr 2006/2007 Comparison Group MedicareBlue Rx - NDPERS

Page:	Run Date:	Data Through Date:	Created By:	Printed By:
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Top Therapeutic Classes by Cost

			Percent of Total Cost: 73.6%			
Rank	Therapeutic Class	Indication	Claims	Plan Paid	Plan Paid/Claim	Pct of Total
1	ANTHYPERLIPIDEMICS	CARDIOVASCULAR DISEASE	3,809	\$257,708	\$67.66	13.5%
2	ANTHYPERTENSIVES	CARDIOVASCULAR DISEASE	4,359	\$140,406	\$32.21	7.4%
3	ANTIDIABETICS	DIABETES	2,566	\$132,084	\$51.47	6.9%
4	ENDOCRINE AND METABOLIC AGENTS	WOMENS HEALTH	1,350	\$115,971	\$85.90	6.1%
5	ANTIASTHMATIC AND BRONCHODILATORS	ASTHMA/COPD	1,368	\$109,162	\$79.80	5.7%
6	ULCER DRUGS	GERD/ULCERS	1,517	\$107,900	\$71.13	5.7%
7	ANTIDEPRESSANTS	DEPRESSION	2,523	\$87,553	\$34.70	4.6%
8	CALCIUM CHANNEL BLOCKERS	CARDIOVASCULAR DISEASE	1,662	\$81,836	\$49.24	4.3%
9	HEMATOLOGICAL AGENTS - MISC.	HEMATOLOGIC DISEASE/DISORDER	707	\$72,091	\$101.97	3.8%
10	BETA BLOCKERS	CARDIOVASCULAR DISEASE	2,916	\$64,434	\$22.10	3.4%
11	ASSORTED CLASSES	TRANSPLANTATION MEDICINE	41	\$49,271	\$1,201.73	2.6%
12	PSYCHOTHERAPEUTIC AND NEUROLOGICAL	DEMENTIA	430	\$49,051	\$114.07	2.6%
13	ANTINEOPLASTICS	CANCER	329	\$48,055	\$146.06	2.5%
14	GENITOURINARY AGENTS - MISCELLANEOUS	GENITOURINARY DISORDERS	604	\$43,112	\$71.38	2.3%
15	ANTICONVULSANTS	SEIZURE DISORDERS	759	\$42,510	\$56.01	2.2%

Top Drugs by Cost

			Percent of Total Cost: 33.1%			
Rank	Brand Name	Indication	Claims	Plan Paid	Plan Paid/Claim	Pct of Total
1	LIPITOR	CARDIOVASCULAR DISEASE	1,478	\$132,151	\$89.41	6.9%
2	PLAVIX	HEMATOLOGIC DISEASE/DISORDER	503	\$59,332	\$117.96	3.1%
3	ADVAIR DISKUS	ASTHMA/COPD	382	\$52,363	\$137.08	2.7%
4	NORVASC	CARDIOVASCULAR DISEASE	824	\$47,914	\$58.15	2.5%
5	PROTONIX	GERD/ULCERS	528	\$47,907	\$90.73	2.5%
6	FOSAMAX	WOMENS HEALTH	587	\$47,373	\$80.70	2.5%
7	ZETIA	CARDIOVASCULAR DISEASE	412	\$34,674	\$84.16	1.8%
8	ARICEPT	DEMENTIA	242	\$30,731	\$126.99	1.6%
9	THALOMID	TRANSPLANTATION MEDICINE	6	\$28,027	\$4,671.18	1.5%
10	FLOMAX	GENITOURINARY DISORDERS	354	\$26,119	\$73.78	1.4%
11	EVISTA	WOMENS HEALTH	245	\$25,674	\$104.79	1.3%
12	ACTOS	DIABETES	158	\$25,052	\$158.55	1.3%
13	NEXIUM	GERD/ULCERS	208	\$24,497	\$117.77	1.3%
14	COREG	CARDIOVASCULAR DISEASE	269	\$24,341	\$90.49	1.3%
15	ACTONEL	WOMENS HEALTH	295	\$23,391	\$79.29	1.2%

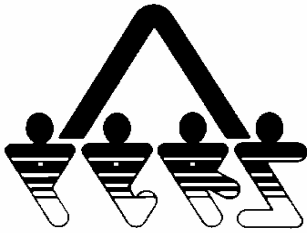
Beneficiary Services Combined Monthly Report

Summary Data

2006 Group MedicareBlue Rx

Month	Calls Offered	Calls Handled	Abandoned Calls	Abandon Rate	Service Level	Avg Speed of Answer (seconds)	Avg Handle Time (seconds)	Avg Hold Time (seconds)
January	89,361	75,018	14,343	16.05%	45.30%	234.7	422.2	47.9
February	52,272	51,254	1,018	1.95%	81.66%	29.6	388.7	53.6
March	43,959	42,922	1,037	2.36%	81.03%	27.5	368.2	51.5
April	48,823	46,392	2,431	4.98%	65.63%	60.0	454.3	58.0
May	51,318	48,560	2,758	5.37%	66.47%	62.0	460.1	52.9
June	37,466	35,284	2,182	5.82%	79.51%	49.8	428.0	71.7
July	38,844	37,894	950	2.45%	80.26%	36.3	451.1	40.8
August	31,200	30,849	351	1.13%	90.44%	14.3	476.5	26.6
September	25,239	25,024	215	0.85%	90.02%	14.6	493.5	33.7
October	48,405	48,071	334	0.69%	91.67%	11.2	539.0	19.4
November	39,946	39,130	816	2.04%	87.89%	26.0	534.7	31.8
December	51,685	49,016	2,669	5.16%	76.56%	70.3	530.5	50.2
Annual	558,518	529,414	29,104	4.07%	78.04%	53.0	462.2	44.8

(Combined data from Prime and all outsource call centers)



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Memorandum

TO: PERS Board

FROM: Sparb

DATE: June 14, 2007

SUBJECT: HB 1433 – Asheville Project

At the last meeting we discussed HB 1433 that directed us to establish a collaborative drug therapy program. The success of what is referred to as the “Asheville Project” is what promoted this bill. Attached for your information are several articles on this initiative. At this meeting the North Dakota Pharmacy Association has arranged for a speaker who will review this program and be available to answer questions. I have also attached a copy of the bill for your reference.

I would suggest the following approach to implementing this bill:

1. July to August - Request a proposal from the North Dakota Pharmacy Association that would outline how they would propose to implement the Asheville model in North Dakota that would be consistent with the proposed legislation.
2. October to Dec - We also need to report on the effect of the project on our group as it is implemented. To do this I would recommend that we develop an RFP for a consultant who would monitor, evaluate and report on the program.
3. Sept to Nov - When the proposal is received from the Pharmacy Association, staff would evaluate it and work with the Pharmacy Association to refine the proposal. The legislation also states that PERS shall provide incentives for participation. Staff will work with BCBS to identify any possible cost incentives. In addition during this period, the role of BCBS would be determined based upon the proposal evaluation process.
4. Nov to Dec - When the proposal is refined, staff would present it to the board.
5. Jan – Report on the RFP for a consultant to evaluate the project.

Board Action Requested

To approve the above approach for implementing HB 1433.

In N.C., Improving Worker Health -- and Cutting Costs

By Ceci Connolly

Washington Post Staff Writer

Tuesday, August 20, 2002; Page A01

ASHEVILLE, N.C. -- When Bill Wilmer was diagnosed with diabetes 10 years ago, he didn't have the time or money to fight the deadly disease. Besides, Wilmer figured, with no cure in sight, why bother pricking himself with a syringe several times a day?

"I didn't think it made much difference, so I decided to do it my way -- like Frank Sinatra," he explained.

Today, the 65-year-old retiree is a model patient. His health has improved, he meets religiously each month with his pharmacist, and instead of quoting the Rat Packer, he's singing a new tune. "An ounce of prevention is worth a pound of cure," he said, sounding more like a schoolmarm than a former backhoe operator.

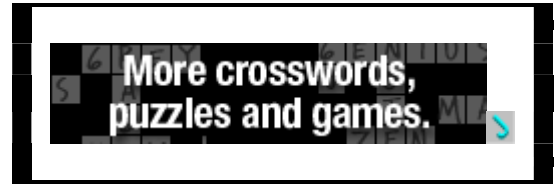
While federal and state lawmakers are struggling to find ways to control rising health care costs, this small city tucked between the Blue Ridge and Great Smoky Mountains has found a way to save thousands of dollars and improve the health of its employees. Unlike academic theories and political rhetoric, the six-year-old Asheville Project offers real-life lessons on the great potential -- and limitations -- of an approach known as disease management.

Built on the philosophy that better health leads to lower medical costs, the Asheville Project uses financial incentives to link highly trained pharmacists to city workers who have diabetes, hypertension, asthma or high cholesterol -- all expensive chronic illnesses. In a highly unusual arrangement, pharmacists are paid to counsel patients, offering advice on diet, exercise, stress reduction and medications. With the monthly sessions, pharmacists help patients stay on track and act as a bridge to physicians.

To lure employees such as Wilmer, the city made an irresistible offer: If he agreed to attend a health class and check in with pharmacist Beth DeWitt once a month, the city would give him free medications and supplies such as the glucose meter and test strips to monitor his blood sugar.

It wasn't altruism that prompted the city's generosity; it was savvy investing. "I'm getting a 4-to-

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1 return on my investment," said John Miall, the risk manager who approved the counterintuitive solution to soaring medical bills.

By hiring pharmacists to serve as coach-cheerleader for employees with chronic illnesses, the city has drastically reduced emergency procedures and complications caused by prescription misuse. Although drug costs rose, total health care spending on diabetics fell from \$7,042 per patient in 1996 to about \$4,000 apiece each year since the program began, in 1997.

What Miall spent for prescriptions, pharmacist payments and even additional doctor visits, he more than made up in reduced hospital visits, kidney dialysis and transplants. "I can afford a lot more medications and physician visits than I can trips to the emergency room," he said.

Absenteeism rates for participants fell from an average of 12.6 sick days a year to six, said city finance director Bill Schaefer. "Just having the people at work is a wonderful return on the dollar," not to mention the intangible benefits of healthier workers on the job, he said.

Yet many analysts caution that it will be difficult for larger companies and cities to replicate the creativity of this tightknit, progressive community or to expand disease management to numerous illnesses simultaneously. As many in Asheville can attest, it is not easy to shift responsibility -- and money -- to a new group of medical providers.

Doctors, including the president of the American Medical Association, have expressed skepticism about expanding the clinical duties of pharmacists, nurses or emergency medical technicians. Many physicians fear a loss of business or authority. Insurers have shown little willingness to reimburse pharmacists and other non-physician caregivers for the "cognitive services" or counseling that leads to better-informed, healthier patients.

Bob Burgin, president and chief executive of Mission St. Joseph's Health Care System here, said he initially worried about a decline in business if the city's program worked. But reducing emergency room demands has freed staff and beds for more lucrative procedures, such as hip replacements, angioplasty and other services targeted to aging baby boomers.

Finally, even the most successful disease management program is unlikely to solve what is becoming a cost crisis in America's health care system. "We're doing what we can to control costs, but we're scratching at the margins," Schaefer said.

Yet the success of the Asheville Project is winning converts. Blue Ridge Paper has begun enrolling hundreds of employees at its seven plants. Burgin was so impressed he adopted the program for his 5,000 workers and their 3,900 family members. Empowering patients, tapping underutilized medical professionals such as pharmacists, and reimbursing wellness instead of illnesses "is the only hope of controlling health care costs in the long term," he said.

Diabetes, in which the body has difficulty processing sugar, is a classic example, said Frank Vinocur, director of the diabetes division at the Centers for Disease Control and Prevention. About 17 million Americans have diabetes, and an additional 1 million cases are expected this year.

The medical and financial toll is enormous. Diabetes is the fifth-deadliest disease in the nation today, and the leading cause of blindness, kidney failure and amputations. In 1997, researchers put the annual cost of diabetes at \$100 billion. Vinocur expects that to double or triple by 2025.

Although there is no cure, modest lifestyle changes, coupled with medical advances, make it possible for diabetics to live longer, more productive lives, said endocrinologist Jeff Russell. That is why Russell and hospital pharmacist Barry Bunting, coordinator of the Asheville Project, put diabetes at the top of the target list for disease management.

For many in the program, simple tips, financial assistance and a sense that someone cares has meant a remarkable improvement in their quality of life.

Patricia Ezzel, 51, said the city picked up her \$250 in annual co-payments. But she no longer disappears from her job in human resources because of dizzy spells, elevated blood pressure and other ailments. And she learned that her favorite grapefruit juice makes it difficult for her liver to absorb blood pressure medicine.

Like Wilmer, Harry McDaniels was in denial about his diabetes and refused to pay \$45 a month on test strips to check his blood sugar with a glucose meter.

"This program helped me come out of the closet," he said. The health classes revealed he was far from alone, and the tough love he gets from his pharmacist strikes just the right tone. "He'll say, 'Harry, let's control this, or your wife won't be seeing you anymore,' " McDaniels said. The monthly visits are key, he said, because "the meter's not going to lie."

Miall tapped pharmacists because they are convenient, available and "have an incredible knowledge of medication," he said. Bringing in pharmacists also helps reduce the \$177 billion spent annually because of misuse of medications, said Crystal Wright, spokeswoman for the National Association of Chain Drug Stores.

For pharmacists, it is an opportunity to use some of the expertise developed over six years in school and to make about \$40 a month for each patient they counsel. During an average shift at Eckerd, Amy Lugo said, she filled 350 to 500 prescriptions, and "most of the questions I got were, 'Where's the toilet paper?' "

Because of pharmacist intervention, 60 percent of patients in the diabetes program now take ACE inhibitors to help protect the kidneys, compared with none six years ago. McDaniels and Wilmer credit their pharmacists with recommending an aspirin a day for their hearts. In medical terms, the results are impressive, said Carol Cranor, a pharmacist who analyzed the Asheville data for the University of North Carolina.

Measurements of LDL, or "bad" cholesterol, and Hemoglobin A1c, or average blood-sugar levels, have fallen well below targets set by the American Diabetes Association. Regular eye and foot exams, central to diabetes care, are up, while smoking has been cut in half in the group.

In recent years, the city, hospital and Blue Ridge Paper have expanded the program to asthma,

hypertension and high cholesterol, all of which benefit from early intervention. Officials say the medical and financial payoffs will likely come later, because it can take years or decades for heart disease to manifest itself.

Many patients, such as R. Patricia Leckey, enroll in several programs. A single woman who supports her elderly mother, Leckey has diabetes, asthma and high blood pressure, maladies that were costing her about \$450 a month out-of-pocket. "I'm a triple whammy," she said, chuckling.

Working with pharmacist Bill Horton, Leckey walks more, passes up fast food and monitors her asthma with a machine that measures breathing capacity. She has not been to a doctor in four months and has not purchased an inhaler -- once a monthly expenditure -- in just as long.

For retired arson investigator Harley Shuford, the pharmacy sessions are a chance to get all his questions answered in layman's terms and to monitor his own health progress.

"In a nutshell," he said, "what it means for city employees is this gives you the knowledge, the equipment and incentive to control your own destiny."

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Pharmacist oversight cuts cost of chronic diseases

By MICHAEL PRINCE

April 28, 2003

ASHVILLE, N.C.-A novel disease management program begun by a North Carolina city is now going national.

The program-dubbed the Asheville Project-has slashed medical costs for participants with, for example, diabetes by more than 25% on average, with larger savings over time.

Many employers now are turning their attention to the experience of Asheville, N.C., and with good reason. Since 1997, when the disease management program was launched to improve the health of a few hundred city workers with four chronic diseases-diabetes, asthma, hypertension and high cholesterol-the city has saved thousands of dollars in medical expenses.

Capitalizing on the project's success, five employers around the country now are participating in recently launched pilot programs based on the Asheville Project.

Besides the potential for savings on medical expenses for chronic diseases, employers are attracted to the unique way the project operates. The program relies on specially trained pharmacists to monitor participants.

Patients agree to monthly meetings with the pharmacists, who sign up to participate in the program and undergo specialized training. These regular meetings are designed to ensure the patients are taking their medications and are maintaining their health. In addition, basic physical exams are conducted. These monthly sessions help the patients stay on track in controlling their disease. If the pharmacists find a health problem, they immediately schedule the patient an appointment with his or her physician.

This constant monitoring catches small problems before they become big ones. The result of maintaining better health is fewer hospitalizations, lower costs and reduced absenteeism.

To induce patients into the program, the city waived all copayments for the pharmacist visits, drugs for their disease and other supplies. For example, diabetic patients pay nothing for their insulin and also receive a machine that measures blood sugar levels. The city, which is self-insured, foots the entire bill.

The city pays the pharmacists an average of \$38 per visit, said John Miall Jr., director of risk management for Asheville, who is one of the founders of the project. "That's a pretty cheap office visit," he noted.

If a patient fails to stick with the program or misses too many meetings with the pharmacist, he or she is removed from the program and has to start paying copayments again, Mr. Miall said.

"Whether you need it or not, you go to your appointment," he said.

The savings have been considerable, according to recently published studies about the program.

The city has saved about \$2,000 in health care spending per year per patient in the diabetes program, said Barry Bunting, clinical manager of pharmacy at Mission St. Joseph's Health System in Asheville, and coordinator of the project.

On average, a patient with diabetes incurred \$7,082 in medical expenses in the year before entering the program, Mr. Bunting said. This dropped 26% to \$5,210 in the first year of the program and fell 34% to \$4,651 for those in the program for five years.

In fact, the program was so promising from the start that the hospital adopted it in 1998 for its own employees, he said.

The big savings for Asheville have come from reduced hospital costs, according to Mr. Bunting. Because the patients with chronic diseases are kept healthier, they incur fewer emergency room visits and hospital stays, he said.

"The big losers in this whole scheme are the hospitals. Because the hospital is not admitting those patients" whose diseases are not controlled, said Dr. Paul Martin, medical director of health services for Asheville and the medical director of staff health services at Mission St. Joseph's.

The unique feature of paying for regular pharmacist visits helps patients with chronic problems maintain their health, said Bruce Kelly, senior consultant at Watson Wyatt Worldwide in Minneapolis.

"Our medical care system pays a premium for therapy and not for prevention or coaching very much," he said.

Asheville's Mr. Miall estimates that the city has saved \$4 for every \$1 it has spent on employees in the program. Besides the lower costs, the number of sick days for people in the program have dropped by more than 50%, he said. Patients in the program averaged more than 12 sick days in the year before entering the program and fewer than six while enrolled, he said.

Word of the program's success rapidly spread throughout the Asheville region.

"Several companies have either implemented that model for their own employee population or are planning to do it," said Michael McManus, executive director of the WNC Health Coalition in Asheville.

"We look at it as a true pioneering effort by the city of Asheville," he said.

One area employer adopting the program is Blue Ridge Paper Products Inc. in nearby Canton, N.C., said Jessica Ellis, manager of disability programs for the paper products maker.

Blue Ridge launched its program in 2001 for workers in seven states, she said. To date, about 150 people have enrolled, she said.

"If it wasn't for the Asheville Project, I wouldn't have known where to start," she said.

The zero copayment, she said, has been the key in attracting people to the program, she said.

Two aspects of the project make it likely to succeed, said Dr. Arnold Milstein, national health care thought leader at Mercer Human Resource Consulting in San Francisco.

By using the pharmacists, which are an established health care network, the costs for starting and maintaining the program are much lower than traditional disease management programs, he said.

Also, because patients have face-to-face meetings with the same pharmacists, a trusting relationship develops. "You substantially increase the potential of the patient taking to heart and adopting what the pharmacist advises," he said.

The pharmacists' role is seen as the key to the project's success, agreed Dr. Martin of Mission St. Joseph's.

"Pharmacists are ideal monitors," he said. They are well trained and geographically dispersed, he said. "It's convenient, it's accessible and it's an untapped resource."

Because of its success, the American Pharmacists Assn. Foundation has chosen the Asheville Project as a model for five pilot projects launched around the country earlier this year, said Dan Garrett, senior director of the foundation in Greensboro, N.C., and one of the founders of the Asheville Project.

The five pilot programs, which focus solely on diabetes patients, seek to replicate the Asheville Project with various employers. The pharmacists' group sees this as the first step in a wider introduction of the program, he said.

The pilot programs seek to determine the amount of money employers can save, the impact on employees' health and the best ways to administer the program, Mr. Garrett said. After the one-year pilots conclude, he said the foundation expects to be able to assist any employer in setting up its own program.

One of the employers in a pilot program, VF Corp., was attracted to the program because "the traditional ways of controlling health care costs are just not working anymore," said Debbie Arnold, manager of benefits planning at VF in Greensboro.

About 70 employees have already signed up for the program, she said. And while it's too early to determine any savings, the early responses from employees have been outstanding, she said.

To inform its employees of the new program, VF sent all employees at the participating locations a special announcement last year. Other communications followed, leading to a December meeting where questions could be answered in person and people could enroll, Ms. Arnold said.

Whether Asheville's approach ever moves into the mainstream is anyone's guess. Mr. Miall predicted that it won't happen until health insurers and medical stop-loss insurers see the savings it can generate and widely promote it to their employer clients.

Mr. Kelly of Watson Wyatt agrees. Since most employers rely on their health insurer or a disease management vendor for this type of program, employers won't adopt it until these vendors offer it, he said.

But others are more optimistic.

Mission St. Joseph's Dr. Martin said that other employers could easily adopt similar programs.

"The basic premises can be replicated in a variety of settings," he said.

And Ms. Arnold of VF said that with health care costs skyrocketing, now is a great opportunity to present a unique health care program to senior management. "They are open to new ideas," she said.

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Minnesota tests free care for diabetics

18-month trial with government workers aims to save money

BY JULIE FORSTER

Pioneer Press

Article Last Updated: 05/07/2007 11:18:38 PM CDT

A change is in the works in the battle to rein in rising health care costs, and it could save some workers thousands of dollars a year.

Beginning this summer, Minnesota state workers won't have to pay to treat diabetes. Insurers and health care consultants say several private companies, too, are considering similar moves to eliminate costly co-payments and deductibles for their workers.

By footing the bill for consultations and drugs, employers hope workers and family members covered by their plans will better monitor their health and be less likely to skimp on what for some can be more than half a dozen daily medications needed to treat their diabetes and avoid bigger and more-expensive health problems in the future.

It's a shift in the approach, albeit sharply focused, to slowing the rising cost of health care that has emphasized passing along more of the expense to workers to encourage them to become savvy consumers.

Soon, letters from doctors will be sent to about 1,500 diabetic patients covered under the state's medical plans, inviting them to join a program that waives the cost for supplies such as blood-testing strips, insulin, syringes, and medications for related conditions such as high blood pressure.

Participants also will receive free monthly consultations with pharmacists specifically trained in diabetes management.

"I don't want anything to prevent them from taking these medications, and if price is an issue, I want to eliminate that barrier," said Stephen Birkland, who heads the state's health risk management unit overseeing the project.

More diseases could be added later, Birkland said, but the key will be whether the money the state saves in claims outweighs the increased cost.

Expectations are high for the 18-month test: State officials are counting on a 4-to-1 return, meaning that the state will save \$4,000 in

claims for every \$1,000 it spends to cover treatment costs for a worker.

Those aren't pie-in-the-sky numbers, experts say. They're based on a similar program launched a decade ago by the city of Asheville, N.C. That city started with diabetes and also has started covering the cost of treating other chronic health problems such as asthma, high blood pressure, high cholesterol and depression.

Studies have shown that as the cost of health care rises for individuals, they tend to avoid care to save money. That's a good thing when, say, someone with the sniffles decides to put off that trip to the doctor. Not so, though, when it comes to basic but vital treatment for a chronic disease.

"By creating economic obstacles, in a way we are hurting ourselves," said Ann Robinow, a health care consultant in Minneapolis.

To be sure, raising co-payments for medications has helped rein in drug spending, said Al Heaton, director of pharmacy at Blue Cross and Blue Shield of Minnesota. As co-payments have crept up, drug use has declined. "But if you decrease utilization on drugs that save people's lives, that's probably not a good thing," Heaton said.

Brand-name drugs can run \$20 or \$30 in co-payments a month. Heaton has seen some co-payments on brand names run \$60 or higher. That's up from around \$10 a decade ago.

The thinking now is that because a hospital stay and trips to the emergency room can drive an employer's health claims into the stratosphere, companies are better off finding ways to help workers comply with their day-to-day regimen rather than putting up road blocks.

Even though there are only 1,500 diabetics among the state's pool of 115,000 workers, dependents and others insured under the plan, it's easy to see why state officials believe the program will pay off.

Unmanaged diabetes can lead to costly complications such as depression and heart disease. At the state, the average annual cost to cover for someone with Type II diabetes, the most common form, was \$10,800 in 2005 compared with the average of \$3,400 for all covered workers and family members.

In Asheville, health care costs, sick days and workers' compensation costs dropped soon after the city made it cheaper for workers to get treatment for diabetes and provided counseling on food, exercise and consultations. The city saved an estimated \$2,000 per patient involved in the program.

Some 80 employers across the country have developed programs similar to that used by the city of Asheville. The American Pharmacists Association is coordinating efforts in some cities, such as Chicago.

The University of Minnesota is among local employers expected to give the program a look. "I think it's an idea that needs serious consideration," said Dann Chapman, the university's benefits director.

Pharmacists and insurers are fielding questions from employers throughout Minnesota interested in implementing similar plans.

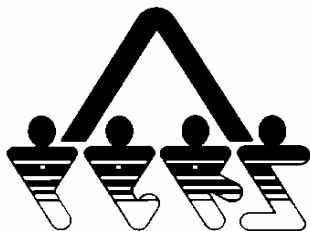
"We're on the edge of this, really," said Nikki White, manager of medication therapy management for Fairview Health Services, which has trained pharmacists who will work with diabetics during the state's pilot project. "In my opinion this is going to explode in the next year and a half."

Watson Wyatt, a benefits and compensation consulting firm, plans to meet with its large-employer clients in Minnesota in hopes that some will agree to participate in a study to determine if patients stick to treatment regimens if their co-payments and deductibles are waived.

In 2006, Watson Wyatt's clients spent \$1,500 or less on claims for 72 percent of people covered by their plans. That compares with an average cost of \$109,000 for high-cost claimants, which would include diabetics with complicating conditions, such as heart disease.

"Those patients with complex medical conditions may represent only a half a percent of eligible members, but they spend more than 20 percent of all the dollars," said Bruce Kelley, who studies claims data for Watson Wyatt. "That's why drug compliance is so important, because these drugs can help those people keep their conditions under control."

Julie Forster can be reached at jforster@pioneerpress.com or 651-228-5189.



**North Dakota
Public Employees Retirement System**
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Memorandum

TO: NDPERS Board

FROM: Kathy & Sparb

DATE: June 14, 2007

SUBJECT: Smoking Cessation

At the May meeting, we reported that the Health Department was approved funding in the amount of \$95,000 to continue tobacco prevention activities for state employees for the 2007-09 biennium. The Health Department has since notified us that the amount available is \$150,000. In order to continue our current program it is necessary to submit a grant application. The project would again be a joint effort among PERS, BCBS, and the Health Department.

Included for your information is the grant proposal and supporting documentation prepared by staff as well as the contract provided by the Health Department for the 2007-09 biennium. Staff recommends that we continue our efforts to promote smoking cessation for state employees. During the 2007-09 biennium there was a total of 454 members that began a cessation program. Reimbursements to participants to cover counseling, office visits, and Rx and over the counter medications totaled \$81,868. The following page includes a recap of the program participation and expenses for the current as well as the previous biennium.

Board Action Requested

Approve the continuation of the smoking cessation for the 2007-09 biennium.



BlueCross BlueShield of North Dakota

An independent licensee of the Blue Cross & Blue Shield Association

NDPERS Tobacco Program Update: June 2007

Shamayne Gerlach – Heath Care Data Analyst – Medical Management Department, BCBSND

All current data received since the start of the new Biennium (July 1, 2005) through June 13, 2007 were included for this update regarding the NDPERS Tobacco Cessation Program. As seen in Table 1 (below) a total of 329 start dates with 308 unique members were identified as beginning a cessation program during the first Biennium (July 2003 to June 2005). In addition, there have been a total of 430 members with 454 start dates that have began a cessation program since the start of the new Biennium in July 2005. In total, there have been 720 members with 783 start dates from the start of the program (July 2003) through the most current data run (June 2007).

Table 1. Number of Members, Start Dates, and Dollars for Each Biennium

	Start Dates	Members	Dollars	Average Dollars per Member
Total First Biennium (07/01/03 - 06/30/05)	329	308	\$35,301.54	\$114.62
Second Biennium - Current (07/01/05 - 05/31/07)	454	430	\$81,867.84	\$190.39
Total	783	720	\$117,169.38	\$162.74
One Time Promotional Cost			\$14,000.00	
Total (with Promotional Cost)	783	720	\$131,169.38	\$182.18

As noted previously, total costs of the program in the first biennium (July 1, 2003 to June 30, 2005) totaled \$35,302*. Since the start of the new biennium, the total, through 06/13/2007, was \$81,868* (see Table 1, above). In total, both bienniums have a total cost of \$117,169. With a one-time promotion cost in the second biennium of \$14,000, the grand total cost \$131,169.

Calculating the number of members (N=720) receiving the program *since the first Biennium start* and the total member expenses since this date (\$117,169), the average cost for the program equals \$162.74 per member, or \$3.46 per participant/month. Finally, the total cost from the *start of the new biennium* (07-01-05) equals \$4.89 per NDPERS employee (n=23,983) or twenty-one cents per employee/month.

* Expense data were received from the Finance Department at BCBSND.

NDPERS TOBACCO CESSATION PROGRAM FOR STATE EMPLOYEES

Contacts:

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Benefit Programs Manager
(701) 328-3918
kallen@nd.gov

Rebecca Fricke
Benefit Programs Administrator
(701) 328-3978
rfricke@nd.gov

Address:

BCBS
4510 13th Ave S
 Fargo, North Dakota 58121-0001

NDPERS
400 E. Broadway, Suite 505
Bismarck, ND 58502
(701) 328-3900
Fax: (701) 328-3920

Source of Funding:

House Bill No. 1004, amended section 23-38-02 of the NDCC relating to the community health grant program, to provide for an appropriation to the State Department of Health, \$150,000 or so much of the sum as may be necessary for the purpose of funding employee tobacco education and cessation programs for state employees for the biennium beginning July 1, 2007 and ending June 30, 2009.

Program Sponsor and Administration:

NDPERS is proposing to sponsor a smoking cessation program for its state employee members with BCBS being the plan administrator and fiscal agent for the grant.

About NDPERS:

Based on its responsibilities related to management of the group health plan and the Board's objectives for monitoring and containing rising health care costs, NDPERS was selected as the plan sponsor for a smoking cessation program for state employees.

NDPERS is a state agency responsible for the management and administration of the group employee benefit programs for state employees. The North Dakota Public Employees Retirement Board is the governing authority of NDPERS. One of the programs under its authority is the group health insurance plan. The Board supports wellness initiatives that may have a positive impact on containing rising health care costs. To further this objective, the Board submitted legislation during the 2003 session in SB 2060 that related to establishing an employer based wellness program that would provide an incentive for employers to establish these programs in order to involve them as a mechanism to encourage employees to develop and maintain healthy lifestyle habits.

Smoking is the single most preventable cause of disease, disability, and death in the United States. Given the documented medical evidence related to the adverse health effects related to nicotine dependence, and the expense for treatment of this disease, implementing a program to assist individuals to quit could improve the overall health of these individuals and, thus contain rising health care costs both from a short and long-term perspective. Therefore, supporting a cessation program aligns with the Board's objectives.

About BCBS:

BCBS is a nonprofit health care Corporation established pursuant to North Dakota state law. BCBS is the insurance company that PERS is contracted with on a fully insured basis to provide medical and hospital benefit coverage to its members. PERS and BCBS have been under the existing arrangement since 1989. Before that BCBS provided services to PERS on a self-insured basis.

Time Frame:

The NDPERS State Employee Tobacco Cessation Program is scheduled to begin July 1, 2007 and will be completed by June 30, 2009. Final invoice for services will be submitted to the Department of Health by July 15, 2009.

Estimated number of state employees this program will serve:

The program will be available to state employees and their eligible family members that are at least 18 years of age. Attached as Exhibit 1 is a breakdown of all health plan members by county that are age 18 or older. It includes an estimate of the total number of smokers and smokeless users in our group which is further refined to project the potential number of users that will access services through the cessation program. The estimated number of individuals that may qualify for the program is 10,413. Of this

number, 5% or 521 individuals are expected to enroll in the program. The following outlines the methodology used to arrive at this figure:

Total members X 22% (number of smokers) X 5% = 310

Total members X 15% (number of smokeless users) X 5% = + 211

Projected number of individuals expected to enroll in the program = 521

Included as Exhibits 2, 3, and 4 are statewide maps that show by county the total active employee contracts, the total health plan members age 18 or older, and estimated tobacco cessation participants expected to enroll in a program.

Program Description:

Providers for smoking cessation services will participate based upon a contract between BCBS and the provider.

The member is eligible for four separate benefit periods as follows:

7/1/2007 – 12/31/2007

1/1/2008 – 6/30/2008

7/1/2008 – 12/31/2008

1/1/2009 – 6/30/2009

The program will be a combination of counseling to include initial assessment, physician office visit, nicotine replacement therapy and prescription medication, if indicated, and follow-up support counseling as necessary by individual, group, or telephone. Follow-up must be conducted at 3, 6, 9, and 12 months after "quit date." Local cessation programs will be strongly encouraged to develop incentives to complete counseling.

Re-treatment will be available within six months and will be the responsibility of the counseling program and reimbursement will be available on the same basis as during the initial treatment phase.

Program Services & Reimbursement:

Program services will be reimbursed as follows:

- \$200.00 per Member/ per Benefit Period for counseling services.
- \$500 per Member/ per Benefit Period for office visit, prescription drugs and over-the-counter drugs prescribed for tobacco cessation.
- Total expenses reimbursed per Member/per Benefit Period shall not exceed \$700 per Benefit period.

Funds will be allocated on a first come first serve basis until all available funds are exhausted.

In addition, the cessation program will be responsible for the following to Blue Cross Blue Shield of North Dakota:

- Reporting admission and follow-up to BCBSND as well as medication recommendations and prescriptions.
- Reporting the number of counseling sessions and whether they are group or individual.
- Reporting outgoing phone call results as well as any phone counseling sessions.
- Arrange for physician office visit, if necessary, and collect receipts.
- Reporting prescriptions and receipts collected.
- Reporting over-the-counter recommendations and receipts collected.
- Producing and submitting a monthly paper roster bill to BCBSND.
- Submitting encounter and follow-up data monthly to BCBSND.
- Verify participant eligibility through BCBSND.
- Disburse reimbursement funds for nicotine replacement therapy, prescription drugs, and physician visits based on receipts from the member.

Monitoring and Evaluation:

BCBSND will produce the following reports:

- Track each patient receiving therapy and level of therapy.
- Develop a database to track the program and have database format available to counseling programs for tracking.
- Report quit rates by counseling program at 3, 6, 9, and 12 months.
- Report every six months to the PERS and DOH about results and participation rates.

Administration, Promotion & Budget:

Administration

All funds will be billed by and paid directly to BCBS. BCBS will be the contracting entity and will maintain all documentation relating to the projects costs. While PERS will sponsor the program it will not be charging any fees to the project nor will it be administering the funds for the program. As a result of the responsibilities assigned to BCBS they will be charging an administrative fee for the project of 10% of claims paid to providers to pay its costs as program administrator and granting entity. For example if total claims submitted by the providers are \$60,000 BCBS will add a 10% fee for a total of \$6,000. BCBS will reimburse providers monthly based upon the paper billings submitted. BCBS will then submit to the Department of Health monthly the total claims for reimbursement. Final billing will be submitted no later than July 15, 2009.

Promotion

BCBSND will develop and implement a plan to promote the cessation services including but not limited to: agency notices, paycheck stuffers, e-mail notices, posters, and notices to home addresses to be distributed at periodic intervals throughout the contract period. The proposed promotion schedule for the benefit period is attached as Exhibit 5. BCBS is proposing a budget of \$20,000 to perform these services.

Budget

As noted above under "Program Services" each participant is eligible for a maximum benefit under this program of \$700 for each 6-month period. Also as noted above and in the attached there could be up to 527 people who could enroll in the program. Therefore, the potential costs of the program could be:

$$521 * \$700 = \$364,700$$

Services will be provided on a first come first serve basis contingent on available funding. We are requesting \$118,182 for the program services. In addition BCBS administrative fees will be approximately \$11,818 based upon this service level. Therefore, the total amount requested is:

Program Benefit Budget:	\$118,182
BCBS Administrative Costs (10%)	11,818
BCBS Promotion Costs (fixed cost)	<u>20,000</u>
Total Budget Request	\$150,000

Reimbursement will be made to BCBS monthly based on actual costs accrued by local programs for services provided to state employees plus a 10% administrative fee up to a maximum of \$150,000 (July 1, 2007 through June 30, 2009).

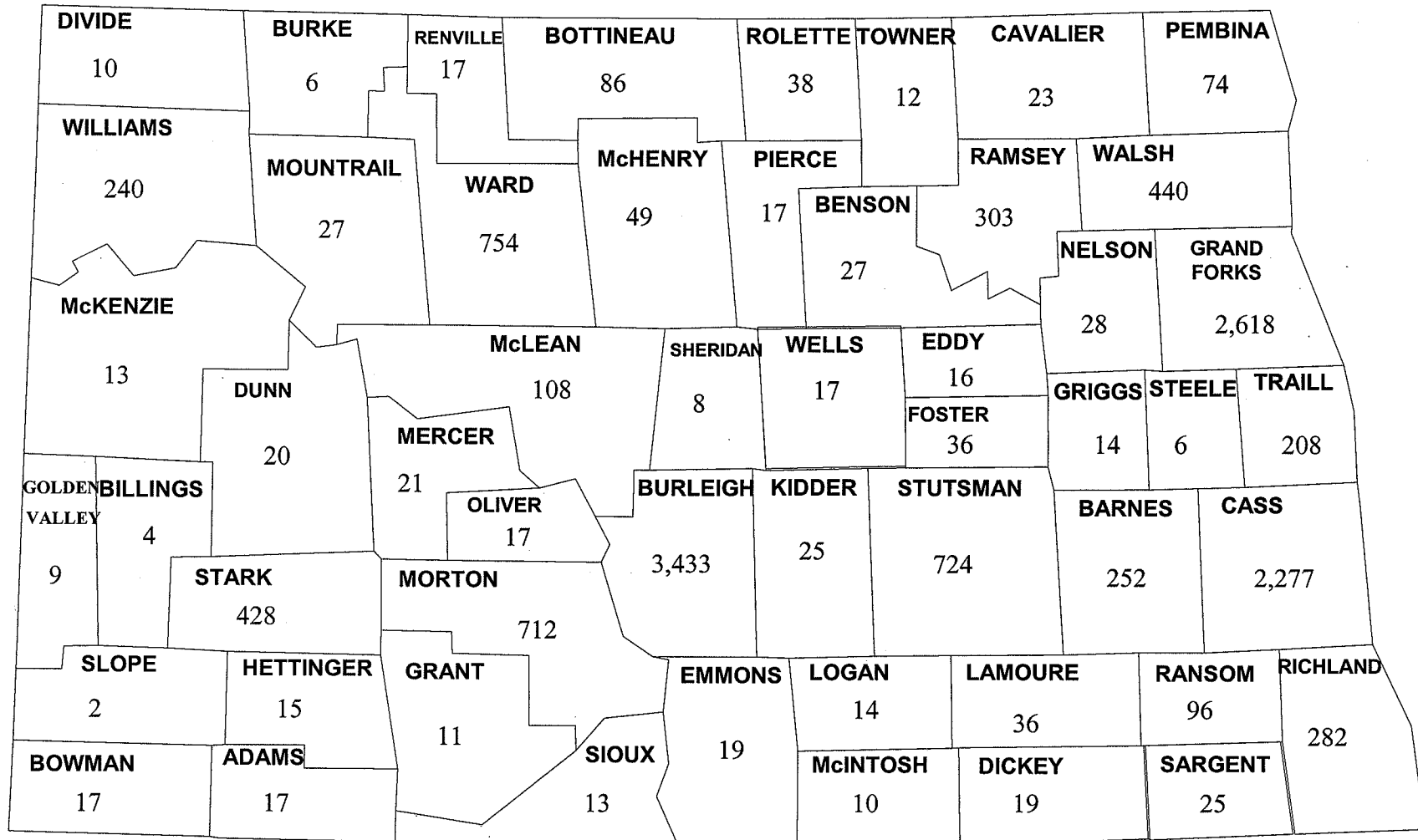
NDPERS ACTIVE STATE HEALTH PLAN MEMBERS AGE 18+ - MAY 2007

EXHIBIT 1

COUNTY	ACTIVE EMPLOYEES	MEMBERS	SMOKERS	SMOKELESS USERS	TOTAL	PROGRAM USERS
			22%	15%		5%
01 ADAMS	17	41	9	6	15	1
02 BARNES	252	520	114	78	192	10
03 BENSON	27	59	13	9	22	1
04 BILLINGS	4	7	2	1	3	0
05 BOTTINEAU	86	169	37	25	63	3
06 BOWMAN	17	31	7	5	11	1
07 BURKE	6	16	4	2	6	0
08 BURLEIGH	3433	6404	1,409	961	2,369	118
09 CASS	2277	4171	918	626	1,543	77
10 CAVALIER	23	56	12	8	21	1
11 DICKEY	19	40	9	6	15	1
12 DIVIDE	10	24	5	4	9	0
13 DUNN	20	31	7	5	11	1
14 EDDY	16	28	6	4	10	1
15 EMMONS	19	47	10	7	17	1
16 FOSTER	36	83	18	12	31	2
17 GOLDEN VALLEY	9	16	4	2	6	0
18 GRAND FORKS	2618	4832	1,063	725	1,788	89
19 GRANT	11	24	5	4	9	0
20 GRIGGS	14	30	7	5	11	1
21 HETTINGER	15	28	6	4	10	1
22 KIDDER	25	51	11	8	19	1
23 LAMOURE	36	66	15	10	24	1
24 LOGAN	14	26	6	4	10	0
25 MCHENRY	49	103	23	15	38	2
26 MCINTOSH	10	20	4	3	7	0
27 MCKENZIE	13	25	6	4	9	0
28 MCLEAN	108	186	41	28	69	3
29 MERCER	21	46	10	7	17	1
30 MORTON	712	1407	310	211	521	26
31 MOUNTRAIL	27	55	12	8	20	1
32 NELSON	28	65	14	10	24	1
33 OLIVER	17	34	7	5	13	1
34 PEMBINA	74	153	34	23	57	3
35 PIERCE	17	40	9	6	15	1
36 RAMSEY	303	596	131	89	221	11
37 RANSOM	96	192	42	29	71	4
38 RENVILLE	17	37	8	6	14	1
39 RICHLAND	282	608	134	91	225	11
40 ROLETTE	38	68	15	10	25	1
41 SARGENT	25	64	14	10	24	1
42 SHERIDAN	8	18	4	3	7	0
43 SIOUX	13	28	6	4	10	1
44 SLOPE	2	1	0	0	0	0
45 STARK	428	833	183	125	308	15
46 STEELE	6	21	5	3	8	0
47 STUTSMAN	724	1371	302	206	507	25
48 TOWNER	12	33	7	5	12	1
49 TRAIL	208	411	90	62	152	8
50 WALSH	440	826	182	124	306	15
51 WARD	754	1377	303	207	509	25
52 WELLS	17	36	8	5	13	1
53 WILLIAMS	240	642	141	96	238	12
99 OUT OF STATE	1000	2045	450	307	757	38
TOTAL:	14,693	28,141	6,191	4,221	10,413	521

NDPERS State Active Employees

May 2007



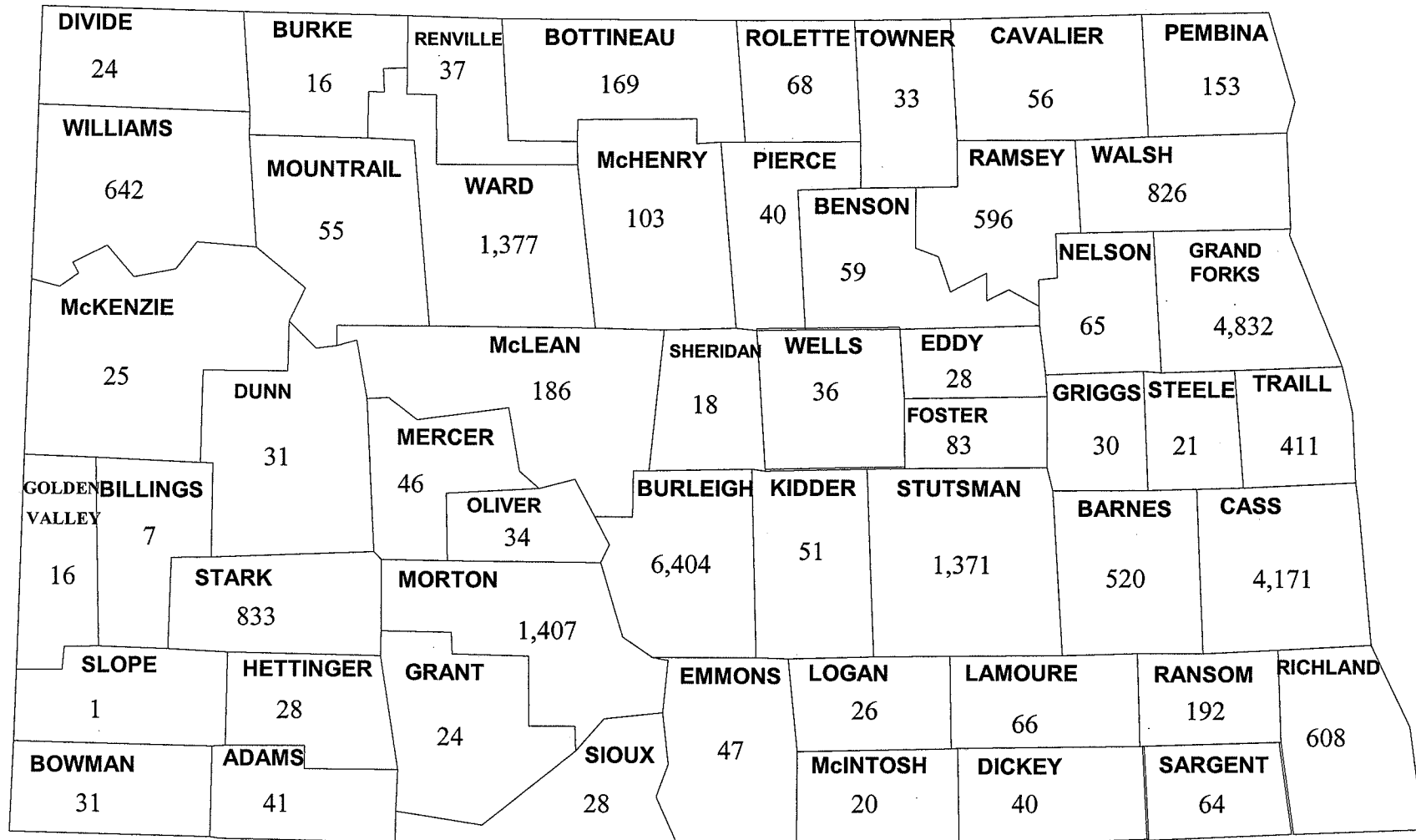
Out-of-State – 1,000

Total – 14,693

EXHIBIT 2

NDPERS State Active Health Plan Members Age 18+

May 2007



Out-of-State – 2,045

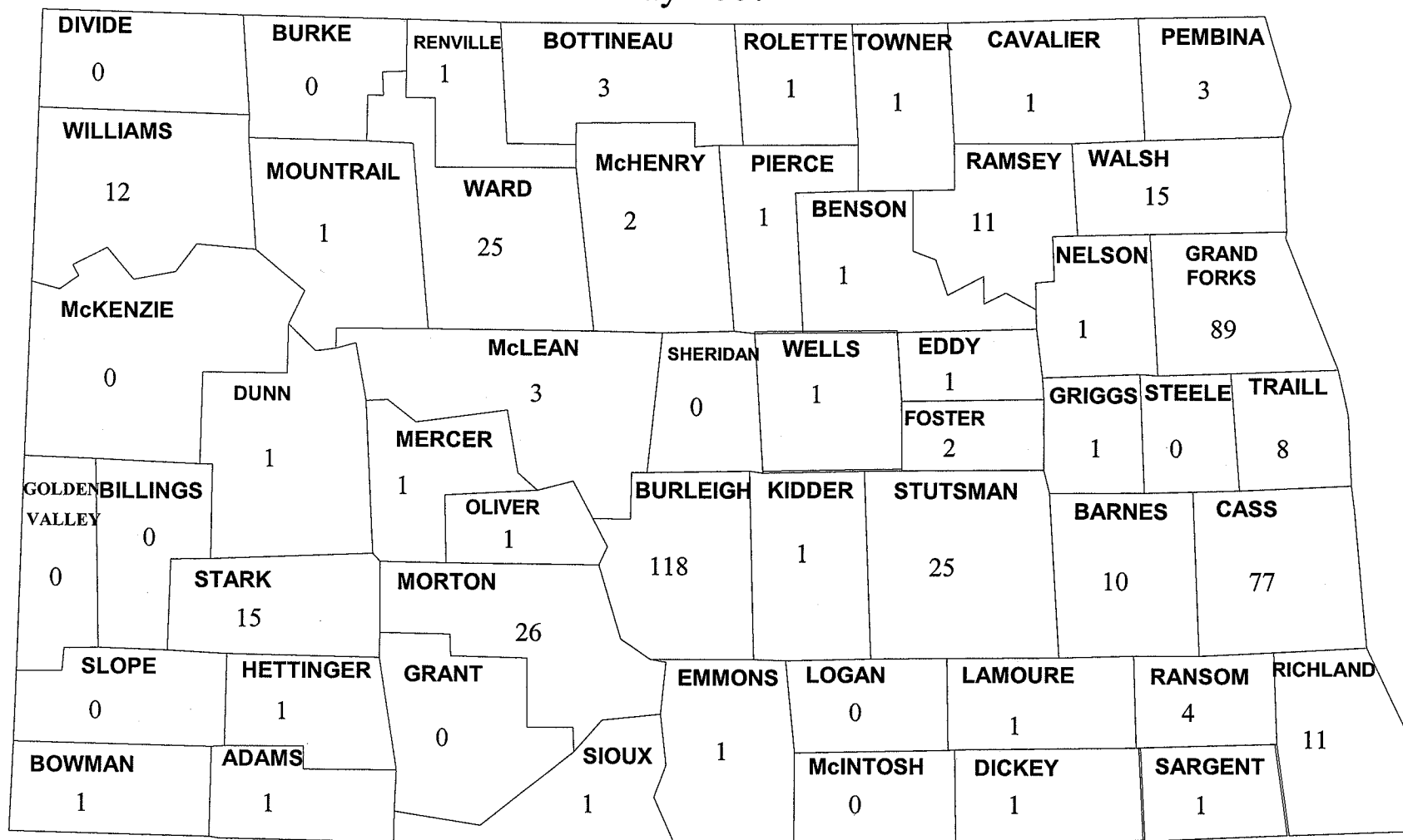
Total – 28,141

EXHIBIT 3

NDPERS State Active Health Plan Members Age 18+

Estimated Tobacco Cessation Participants

May 2007



Out-of-State – 38

Total – 521

EXHIBIT 4

PROGRAM PROMOTION:

EXHIBIT 5

For the sum of \$14,000, BCBSND will develop and produce the following materials (print and electronic) to promote the smoking cessation program and services. These materials will be distributed at periodic intervals throughout the contract period and will be available in PDF file formats on www.BCBCND.com. BCBSND will retain all copyrights to the creative concepts developed for this program. Payments will be made on July 1, 2007 and June 30, 2009 (equal installments totaling \$7,000 each).

July 2007

- Introductory postcard mailed to eligible NDPERS subscribers home addresses (approx. 15,000) by July 1, 2007.
- Introductory email flyer
- 11 x 17 Posters (quantity 650)

October 2007

- *Great American Smoke Out, November 17, 2007* email flyer
- 11 x 17 Posters (quantity 650)

December 2007

- *New Years resolution* email flyer
- 11" x 17" Posters (quantity 650)

February 2008

- *Through with Chew Week.* email flyer
- 11" x 17" Posters (quantity 650)

May 2008

- *World No Tobacco Day* email flyer
- 11" x 17" Posters (quantity 650)

August 2008

- *Kick the habit! Quit smoking.* email flyer
- 11" x 17" Posters (quantity 650)

October 2008

- *Great American Smoke Out, November 17, 2008* email flyer
- 11 x 17 Posters (quantity 650)

December 2008

- *New Years resolution* email flyer
- 11" x 17" Posters (quantity 650)

February 2009

- *Through with Chew Week.* email flyer
- 11" x 17" Posters (quantity 650)

March 2009

- "Last chance to enroll" postcard mailed to eligible NDPERS subscribers home addresses (approx. 15,000) by March 31, 2009.
- *Last Chance to enroll.* email flyer
- 11" x 17" Posters (quantity 650)

June 14, 2007

Larry Brooks
Blue Cross Blue Shield of North Dakota
4510 13th Avenue S.W.
Fargo, ND 58121-0001

Re: FY2008/2009 Notice of Grant Award for State Employee Cessation Funds

Dear Mr. Brooks:

Enclosed is the Notice of Grant Award for tobacco cessation activities for a **two-year** project period of July 1, 2007 through June 30, 2009.

The proposal as submitted was approved, except for Exhibit 5, which was not approved. Our office will contact you regarding our expectations for Exhibit 5. We may amend the contract for an additional \$20,000 after Exhibit 5 has been approved.

The Notice of Grant Award includes the Scope of Service describing the types of services the Contractor will provide. Also, included are the reporting requirements for the request for reimbursements and progress reports with deadlines the Contractor is subject to.

The contract is subject to the terms and conditions referenced in the "Requirements for Contracts" form and applicable Federal and State requirements. The "Requirements for Contracts" form will be sent to you in a separate letter. The applicable Federal and State requirements are listed in the "Instructions to the Request for Reimbursement SFN 8684" and will be sent when the contract is fully executed.

Please sign and date the Notice of Grant Award in the lower left hand section and return this form to us by **June 25, 2007**. We will obtain Department signatures and return a fully executed copy for your files.

Should you have any questions, please contact me at 328.4517 or 1.800.280.5512.

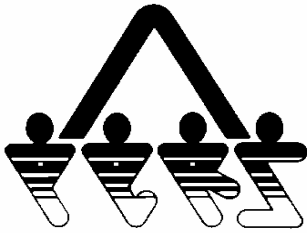
Sincerely,

Karalee Harper, MM, LAC
Director, Division of Tobacco Prevention and Control

Enclosure

Contract No. G08-172		CFDA No. N/A		North Dakota Department of Health 600 East Boulevard Ave-Dept. 301 Bismarck, ND 58505-0200	
Contract Period From: July 1, 2007		Through: June 30, 2009		Type: NOTICE OF GRANT AWARD (SFN53771)	
This contract is not effective and expenditures related to this contract should not be incurred until all parties have signed this document.					
Title of Project/Program: State Employee Cessation Program			Health Dept. Grant Code: HL12498		
Contractor Name and Address: Blue Cross Blue Shield of North Dakota 4510 13 th Avenue SW Fargo, ND 58121-0001 Contact Name: Larry Brooks Telephone: 701.282.1259			North Dakota Department of Health Program Director: Karalee Harper, MM, LAC Director, Division of Tobacco Prevention and Control North Dakota Department of Health 600 E. Boulevard Ave., Dept. 301 Bismarck, ND 58505-0200 Telephone: 701.328.4517		
Financial Information	Dept of Health Cost Share	Contractor Cost Share	Total Project/Program Costs		
Amount of Financial Assistance	\$130,000	\$0	\$130,000		
Previous Funds Awarded	\$0	\$0	\$0		
Total Funds Awarded to Date	\$130,000	\$0	\$130,000		
Scope of Service: The Contractor will implement a tobacco cessation program for state employees or their dependents through contracts with local cessation providers as approved by the Division of Tobacco Prevention and Control. The program will include initial assessment; a physician office visit; individual, group or telephone counseling; pharmacological therapy; behavior modification; exercise/nutrition planning; relapse prevention/follow-up support and evaluation. The Contractor will coordinate services with the North Dakota Tobacco Quitline. The Contractor will maintain the database for tracking, monitoring and evaluating the program. The Contractor will use grant funds in accordance with the attached Contractor's proposal and the Contractor's budget as submitted in May 2007, except for Exhibit 5, as approved by the Division of Tobacco Prevention and Control.					
Reporting Requirements: The Contractor will submit written progress reports on results and participation for each six (6) month period by January 15, 2008, July 15, 2008, January 15, 2009 and July 15, 2009. Reports will include quit rates at three (3), six (6), nine (9), and twelve (12) month intervals. Expenditure reports must be submitted at least quarterly. The final expenditure reports for the periods ending June 30 must be received by July 15, 2008 and July 15, 2009. Reimbursement will be processed upon North Dakota Department of Health approval of progress reports and reimbursement requests.					
Special Conditions: Administrative costs will be limited to ten (10) percent of claims amount paid to providers.					
This contract is subject to the terms and conditions incorporated either directly or by reference in the following: (1) Requirements for Contracts issued by ND Dept. of Health as signed by Contractor for the period July 1, 2007 to June 30, 2009 [Accounting Use Only <input type="checkbox"/> Requirements Received] (2) applicable Federal and State regulations.					
Evidence of Contractor's Acceptance			Evidence of Departmental Acceptance		
Signature		Date	Signature		Date
Typed Name and Title of Authorized Representative			Typed Name and Title of Authorized Representative Arvy Smith, Deputy State Health Officer		
Signature		Date	Signature		Date
Typed Name and Title of Authorized Representative			Typed Name and Title of Authorized Representative Karalee Harper, Director Division of Tobacco Prevention and Control		

Contractor: Attachments if referenced in the scope of service must be returned with the signed contract. If you did not receive attachments as indicated in the scope of service, please contact the Program Director identified above.



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
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1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-INFO@ND.GOV • www.nd.gov/ndpers

Memorandum

TO: NDPRS Board

FROM: Kathy

DATE: June 14, 2007

SUBJECT: Temporary Employees

Senate Bill 2045 passed by the legislature, contains a provision to allow employers the option to pay the health premium on behalf of temporary employees subject to their budget authority. The bill is effective August 1, 2007. Previously, temporary employees were eligible to participate at their own expense and paid either the single or family rate. Employers were prohibited from contributing to the premium expense.

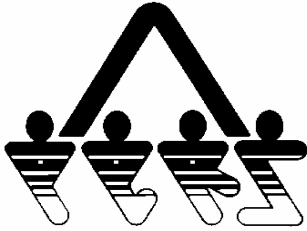
With the implementation of this new legislation an issue as been identified that requires clarification. Based on our current rate schedule, the flat rate applies to contracts for state agencies, the university system, district health units, and the Garrison Diversion Conservancy District. However, we also have the single and family rates which were developed for employees on leave of absence and for temporary employees who previously were required to pay the premium. These rates were to ensure that an employee in one of these statuses would not be required to pay the higher flat rate if they applied for single coverage. Following are the rates for 2007 that are at issue:

Flat Rate		\$658.08
Temp/LOA	Single	\$318.30
	Family	\$764.02

With the legislative change, employers opting to pay for the health premium for temporary employees may be faced with the question of which premium to apply. As the above indicates, if the employee wants family coverage, the flat rate is less than the actual established family rate. This could lead employers to select to pay the single rate for single coverage and the flat rate for employees electing family coverage. To avoid this practice, staff recommends that we clarify that employers who elect to pay the premium for temporary employees be assessed the single and family rates that have been used in the past.

Board Action Requested

Approve staff recommendation.



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 • Box 1657
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FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board

FROM: Rebecca & Sparb

DATE: June 11, 2007

SUBJECT: Health Insurance Rate Increase Notices

The NDPERS health insurance rate increase notices were sent to retirees and COBRA participants on May 31, 2007. Approximately, 6,100 notices were sent. The NDPERS member service unit began receiving calls from these participants on June 1, with the heaviest volume received early the week of June 4th. Due to the volume of calls received and the comments and questions provided, we wanted to share this information with the Board. From June 1 through June 8, the service unit received 382 calls specific to the insurance increase notices.

The common comments and questions received by the service unit during this time were:

- Why are the rates going up so much?
- Why isn't the PERS Board doing more to keep the costs down?
- My insurance is going up again and they don't cover anything right now.
- Is this amount a mistake in my letter?
- It just went up in January and now it is going up again? (specific to Medicare retirees)
- Why do we have to have BCBS? They are one of the highest insurance companies.
- Why aren't we getting an increase? Once 13th check is explained, callers indicate that this 1 check doesn't cover it.
- It went up last year too.
- Did everyone's go up?
- Why do the 20%+ increase occur right away for a 2-year period? Why can't they just do a 10% now and a 10% next year so it won't be as much of an increase all at once?
- I can't afford to keep this insurance. What are my options?
- Is there anyone I can talk to about this or anything I can do to change it?

Also attached are some emails we received and our responses.

This item is informational only and does not require Board action.



North Dakota
Public Employees Retirement System
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M E M O R A N D U M

TO: NDPERS BOARD
SPARB COLLINS, NDPERS
KATHY ALLEN, NDPERS
BR
FROM: BRYAN T. REINHARDT
DATE: May 31, 2007
SUBJECT: GROUP MEDICAL PLAN - SURPLUS/AFFORDABILITY UPDATE

Here is the April surplus projection and affordability analysis for the NDPERS group medical plan. The plan made it through the 2003-2005 biennium and is in the last part of the 2005-2007 period.

Net premium sent to BCBS in July 2005 was \$10,853,370. For comparison, net premium sent to BCBS in June 2005 was \$9,821,731. The NDPERS health plan ended up with 23,580 contracts in June, 2005. There were 22,947 contracts in June, 2003, and 21,792 in July 2001. There are now 24,349 contracts.

The projection for the 2003 - 2005 biennium shows an ending balance of \$15.67 million. The cash settlement back to NDPERS should be around \$1.4 million. The \$14.3 million deposit date for the 05-07 biennium was July 1, 2006. These amounts are at BCBS and receiving interest.

The projection for the 2005 - 2007 biennium shows a June 30, 2007 ending loss of \$600,000. The plan is fully insured against a loss, so the actual projection is zero. Since we share 50/50 in the first \$3.0 million surplus with BCBS, future growth in this surplus will be difficult. BCBS has the IBNR estimate for this projection at \$17 million.

If you have any questions or you should need anymore information, please contact me.

NDPERS - ESTIMATED SURPLUS PROJECTION: 2005-2007 BIENNIUM

April, 2007

The following exhibit summarizes the estimated surplus for the NDPERS group medical plan at the end of the 2005-2007 biennium. The estimate has been updated to include account activity through April, 2007.

1) Preliminary Underwriting Gain for the 2005-2007 Biennium	(\$16,261,800)
2) Cash Balance Interest Accumulation	\$1,032,079
3) Estimated Underwriting Gain for the 2005-2007 Biennium	(\$15,229,721)
5) Refunds and Settlements	
07/01/05 Perform Rebate (Included as claim rebates)	\$424,842
10/04/05 Perform Rebate (Included as claim rebates)	\$430,343
12/01/05 Perform Rebate (Included as claim rebates)	\$8,716
01/01/06 Perform Rebate (Included as claim rebates)	\$332,766
02/24/06 Perform Rebate (Included as claim rebates)	\$387,919
03/01/06 Perform Rebate (Included as claim rebates)	\$15,236
05/26/06 Perform Rebate (Included as claim rebates)	\$280,399
08/31/06 Perform Rebate (Included as claim rebates)	\$288,072
11/30/06 Perform Rebate (Included as claim rebates)	\$266,417
12/30/06 Perform Rebate (Included as claim rebates)	\$23,228
02/28/07 Perform Rebate (Included as claim rebates)	\$272,137
05/31/07 Perform Rebate	\$275,000
EPO Settlement Payments 7/05 - 6/06 (Included as rebates & paid)	\$1,277,000
EPO Settlement Payments 7/06 - 6/07 (Included as rebates & paid)	\$0
6) Cash Reserve Account Balance	\$15,666,912
2003-2005 Settlement Cash Out:	(\$1,439,151)
Future Interest:	\$124,821
Total	\$14,352,582
7) Total Estimated Surplus Held by BCBS	(\$602,140)
8) BCBS Portion of Surplus (50% upto \$1,500,000)	\$0
9) PERS Portion of Surplus Held by BCBS	\$0
10) NDPERS Wellness Accounts	
My Health Connection	\$172,236
Employer Based Wellness	\$36,247
Wellness Benefit Program	\$43,146
SubTotal	\$251,628
Total Adjusted for Usage	\$0
11) Total Estimated Funds Available to PERS on June 30, 2007	\$0

NDPERS - Projected Underwritten Experience for the 2005-2007 Biennium

April, 2007

MONTH	NET PREMIUM COLLECTED	PREMIUM ADJUSTMENT	TOTAL PREMIUM INCOME	ADMIN EXPENSE \$26.98/CON	NET PREMIUM	CLAIMS INCURRED & PAID TO DATE	ESTIMATED IBNR CLAIMS	TOTAL INCURRED CLAIMS (1)	ESTIMATED GAIN / LOSS
Jul-05	\$11,491,070	(\$2,387)	\$11,488,683	\$637,699	\$10,850,984	\$10,943,549	\$0	\$10,943,549	(\$92,565)
Aug-05	\$11,486,984	\$0	\$11,486,984	\$635,676	\$10,851,308	\$10,792,566	\$0	\$10,792,566	\$58,742
Sep-05	\$11,592,130	\$0	\$11,592,130	\$641,396	\$10,950,735	\$9,707,088	\$0	\$9,707,088	\$1,243,647
Oct-05	\$11,564,639	(\$995)	\$11,563,644	\$640,748	\$10,922,896	\$10,050,799	\$0	\$10,050,799	\$872,097
Nov-05	\$11,565,139	\$1,417	\$11,566,556	\$640,478	\$10,926,078	\$11,372,388	\$0	\$11,372,388	(\$446,310)
Dec-05	\$11,575,731	\$7,675	\$11,583,406	\$640,829	\$10,942,577	\$11,778,498	\$0	\$11,778,498	(\$835,921)
Jan-06	\$11,053,969	\$332	\$11,054,300	\$644,606	\$10,409,694	\$10,012,246	\$0	\$10,012,246	\$397,448
Feb-06	\$11,053,628	\$0	\$11,053,628	\$645,308	\$10,408,320	\$9,718,268	\$0	\$9,718,268	\$690,052
Mar-06	\$11,049,994	(\$26,775)	\$11,023,218	\$645,146	\$10,378,073	\$12,281,665	\$0	\$12,281,665	(\$1,903,592)
Apr-06	\$11,066,004	(\$36,321)	\$11,029,683	\$645,820	\$10,383,862	\$10,974,947	\$0	\$10,974,947	(\$591,085)
May-06	\$11,064,390	\$3,501	\$11,067,891	\$646,198	\$10,421,693	\$11,069,800	\$0	\$11,069,800	(\$648,107)
Jun-06	\$11,076,821	\$0	\$11,076,821	\$647,385	\$10,429,436	\$12,040,487	\$0	\$12,040,487	(\$1,611,051)
Jul-06	\$11,056,557	\$0	\$11,056,557	\$646,495	\$10,410,063	\$11,348,552	\$0	\$11,348,552	(\$938,489)
Aug-06	\$11,052,995	\$0	\$11,052,995	\$646,414	\$10,406,581	\$11,425,464	\$0	\$11,425,464	(\$1,018,883)
Sep-06	\$11,153,014	\$0	\$11,153,014	\$650,785	\$10,502,229	\$10,113,425	\$104,000	\$10,217,425	\$284,804
Oct-06	\$11,116,487	\$6,351	\$11,122,838	\$650,515	\$10,472,323	\$11,236,314	\$159,000	\$11,395,314	(\$922,991)
Nov-06	\$11,146,017	(\$8,222)	\$11,137,795	\$652,916	\$10,484,879	\$11,027,391	\$258,000	\$11,285,391	(\$800,512)
Dec-06	\$11,130,343	(\$12,813)	\$11,117,530	\$651,972	\$10,465,558	\$11,362,781	\$564,000	\$11,926,781	(\$1,461,223)
Jan-07	\$11,173,395	(\$5,016)	\$11,168,379	\$654,643	\$10,513,737	\$11,368,794	\$785,000	\$12,153,794	(\$1,640,057)
Feb-07	\$11,192,661	\$0	\$11,192,661	\$658,177	\$10,534,484	\$9,082,917	\$1,999,000	\$11,081,917	(\$547,433)
Mar-07	\$11,192,066	\$0	\$11,192,066	\$656,154	\$10,535,912	\$9,182,775	\$3,930,000	\$13,112,775	(\$2,576,863)
Apr-07	\$11,212,566	\$0	\$11,212,566	\$657,017	\$10,555,549	\$2,281,518	\$9,201,000	\$11,482,518	(\$926,969)
May-07	\$11,212,566	\$0	\$11,212,566	\$657,017	\$10,555,549	\$0	\$0	\$11,940,381	(\$1,384,832)
Jun-07	\$11,212,566	\$0	\$11,212,566	\$657,017	\$10,555,549	\$0	\$0	\$12,017,212	(\$1,461,663)

BIENNIAL

TOTAL	\$269,491,731	(\$73,254)	\$269,418,477	\$15,550,409	\$253,868,068	\$229,172,232	\$17,000,000	\$270,129,825	(\$16,261,757)
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(1) Future Months are Estimated based on Projection from NDPERS.



Memo

To: NDPERS Board
From: Bryan T. Reinhardt
Date: 06/18/2007
Re: 457 Companion Plan & 401(a) plan 1st Quarter 2007 Reports

Here is the 1st quarter 2007 investment report for the 401(a) & 457 Companion Plan. The reports are available separately on the NDPERS web site. The NDPERS Investment Sub-committee reviewed the 1st quarter report and has recommended Board action.

Assets in the 401(a) plan increased to about \$16.7 million as of March 31, 2007. The number of participants is at 297, about the same as when the plan started. The largest fund is the Fidelity Managed Income Portfolio with 14% of the assets.

Assets in the 457 Companion Plan increased to \$21.7 million as of March 31, 2007. This is up from \$12.1 million on 12/31/03 (79% increase). The number of participants dropped from 1,319 after the transition to Fidelity, but is increasing and is now at 1,667. The largest funds are the Fidelity Freedom 2020 Fund and the Fidelity Diversified International Fund with 12% of the assets each.

Benchmarks:

All of the fund returns for the quarter were positive except the large cap growth funds. **Fidelity Managed Income Portfolio, Fidelity Dividend Growth, and Fidelity Blue Chip Growth** performed lower than their benchmarks for all periods (QTR, Y-T-D, 1-year, 3-year, and 5-year). Note that index funds are expected to slightly underperform their benchmarks because of fund administration fees.

Fund News:

Representatives from Fidelity attended the Investment Sub-Committee meeting and presented a 1st Quarter market overview and core fund performance update. They noted that the Blue Chip Growth and Dividend Growth funds need to be watched.

Mutual Shares A (TESIX) continues to display a drifted style from a mid cap value fund to a large cap value fund. Fidelity recommends measuring this fund against the Large Cap Value benchmarks. The Investment Sub-Committee recommends making this change. The Investment Sub-Committee marked **Dividend Growth (FDGFX), Blue Chip Growth (FBGRX), Mutual Shares A (TESIX)**, and the **Fidelity Freedom Funds** as underperforming for the quarter.

The Investment Subcommittee recommends moving **Mutual Shares A (TESIX)** from a Mid Cap Value fund to a Large Cap Value fund. This would require a small change to APPENDIX 1 of the Companion Plan and Defined Contribution Statement of Investment Policy.

BOARD ACTION REQUESTED:

Approve moving **Mutual Shares A (TESIX)** to a Large Cap Value Fund style.

STATE OF NORTH DAKOTA DEFERRED COMPENSATION PROGRAM PUBLIC EMPLOYEE RETIREMENT SYSTEM COMPANION PLAN STATEMENT OF INVESTMENT POLICY

APPENDIX 1

Companion Plan Investment Options by Investment Category

Asset Class	Sector	Fund(s)	Benchmark(s)
Balanced	Balanced	Fidelity Puritan	60% Large Cap Value Fund Universe and 40% Taxable Bond Fund Universe 60% Russell 3000 Value and 40% Lehman Aggregate Bond Index
Large Cap Equities	Value	Fidelity Equity-Income Mutual Shares A	Large Cap Value Fund Universe Russell 1000 Value
	Blend	Fidelity Dividend Growth	S&P 500 Large Cap Blend Fund Universe
		Fidelity Spartan US Equity Index	S&P 500 Large Cap Blend Fund Universe
	Growth	Fidelity Growth Company	Russell 3000 growth Large Cap Growth Fund Universe
		Fidelity Blue Chip Growth	Russell 1000 growth Large Cap Growth Fund Universe
Mid Cap Equities	Value	Mutual Shares A Goldman Sachs Mid Cap Value	Mid Cap Value Universe Russell Mid Cap Value
	Blend	Dreyfus Mid Cap Index	Mid Cap Blend Universe S & P Mid Cap 400
		Fidelity Spartan Extended Index	Mid Cap Blend Universe Wilshire 4500 Index
	Growth		
		Fidelity Mid Cap Stock	Mid Cap Growth Universe Russell Mid Cap Growth

STATE OF NORTH DAKOTA DEFINED CONTRIBUTION PLAN STATEMENT OF INVESTMENT POLICY

APPENDIX 1

Defined Contribution Plan Investment Options by Investment Category

Asset Class	Sector	Fund(s)	Benchmark(s)
Balanced	Balanced	Fidelity Puritan	60% Large Cap Value Fund Universe and 40% Taxable Bond Fund Universe 60% Russell 3000 Value and 40% Lehman Aggregate Bond Index
Large Cap Equities	Value	Fidelity Equity-Income Mutual Shares A	Large Cap Value Fund Universe Russell 1000 Value
	Blend	Fidelity Dividend Growth	S&P 500 Large Cap Blend Fund Universe
		Fidelity Spartan US Equity Index	S&P 500 Large Cap Blend Fund Universe
	Growth	Fidelity Growth Company	Russell 3000 growth Large Cap Growth Fund Universe
		Fidelity Blue Chip Growth	Russell 1000 growth Large Cap Growth Fund Universe
	Value	Mutual Shares A Goldman Sachs Mid Cap Value	Mid Cap Value Universe Russell Mid Cap Value
		Blend	Mid Cap Blend Universe S & P Mid Cap 400
		Fidelity Spartan Extended Index	Mid Cap Blend Universe Wilshire 4500 Index
	Growth	Fidelity Mid Cap Stock	Mid Cap Growth Universe Russell Mid Cap Growth

NDPERS
Quarterly Investment Report
1st Quarter
1/1/2007 – 3/31/2007



North Dakota Public Employees Retirement System
400 E Bdwy, Suite 505
Box 1657
Bismarck, ND 58502

NDPERS 401(a) Defined Contribution Plan & 457 Companion Plan - Fidelity

INITIAL OFFERING:

Fidelity Equity-Income	Fidelity Spartan US Equity Index Fidelity Dividend Growth	Fidelity Growth Company Fidelity Blue Chip Growth	LARGE
Mutual Shares A Goldman Sachs Mid Cap Value	Dreyfus Mid Cap Index Fidelity Spartan Ext Mkt Index	Fidelity Mid Cap Stock	MEDIUM
Allianz NFJ Small Cap Value	Dreyfus Small Cap Index	MSIF Small Co Growth B	SMALL
VALUE	BLEND	GROWTH	

BALANCED FUND:

INCOME FUNDS:

BOND FUNDS:

INTERNATIONAL FUNDS:

Fidelity Puritan Fund
Fidelity Managed Income Portfolio
PIMCO Total Return Bond Fund
Fidelity Diversified International (Blend Bias)

LIFESTYLE FUNDS:

Fidelity Freedom Income
Fidelity Freedom 2000
Fidelity Freedom 2005
Fidelity Freedom 2010

Fidelity Freedom 2015
Fidelity Freedom 2020
Fidelity Freedom 2025

Fidelity Freedom 2030
Fidelity Freedom 2035
Fidelity Freedom 2040, 2045 & 2050

FUND STYLE CHANGES:

Mutual Shares A			LARGE
Allianz NFJ Small Cap Value			MEDIUM
			SMALL
VALUE	BLEND	GROWTH	

INCOME FUNDS:

BOND FUNDS:

INTERNATIONAL FUNDS:

BALANCED FUNDS:

LIFESTYLE FUNDS:

Fidelity Diversified International (Growth Bias)

CURRENT LINEUP:

Fidelity Equity-Income	Fidelity Spartan US Equity Index Fidelity Dividend Growth	Fidelity Growth Company Fidelity Blue Chip Growth	LARGE
Mutual Shares A			
Goldman Sachs Mid Cap Value	Dreyfus Mid Cap Index Fidelity Spartan Ext Mkt Index	Fidelity Mid Cap Stock	MEDIUM
Allianz NFJ Small Cap Value			
	Dreyfus Small Cap Index	MSIF Small Co Growth B	SMALL
VALUE	BLEND	GROWTH	

BALANCED FUND:

INCOME FUNDS:

BOND FUNDS:

INTERNATIONAL FUNDS:

Fidelity Puritan Fund
Fidelity Managed Income Portfolio
PIMCO Total Return Bond Fund
Fidelity Diversified International (Growth Bias)

LIFESTYLE FUNDS:

Fidelity Freedom Income
Fidelity Freedom 2000
Fidelity Freedom 2005
Fidelity Freedom 2010

Fidelity Freedom 2015
Fidelity Freedom 2020
Fidelity Freedom 2025

Fidelity Freedom 2030
Fidelity Freedom 2035
Fidelity Freedom 2040, 2045 & 2050

NDPERS Investment Benchmarks - 1st Quarter 2007

	<u>Quarter</u>	<u>Y-T-D</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>
<u>Stable Value Fund</u>					
Fidelity Managed Income Portfolio	1.06%	1.06%	4.20%	3.99%	4.26%
GIC 5 Year	1.22%	1.22%	4.89%	4.93%	5.08%
<u>Fixed Income Fund</u>					
PIMCO Total Return Bond Fund - PTRAX	1.64%	1.64%	6.06%	3.41%	5.48%
Lehman Aggregate Bond Index	1.50%	1.50%	6.59%	3.31%	5.35%
Taxable Bond Fund Universe	1.64%	1.64%	6.62%	3.93%	5.83%
<u>Balanced Fund</u>					
Fidelity Puritan - FPURX	1.25%	1.25%	12.43%	9.19%	7.91%
60% Large Cap Value Univ & 40% Taxable Bond Universe	1.33%	1.33%	11.02%	8.63%	7.16%
60% Russell 3000 Value & 40% Lehman Agg Bond Index	1.36%	1.36%	12.37%	9.98%	8.45%
<u>Large Cap Equities - Value</u>					
Fidelity Equity-Income - FEQIX	1.06%	1.06%	15.08%	11.88%	8.14%
Russell 1000 Value Index	1.24%	1.24%	16.83%	14.42%	10.25%
Large Cap Value Fund Universe	1.13%	1.13%	13.95%	11.77%	8.04%
<u>Large Cap Equities - Blend</u>					
Fidelity Spartan US Equity Index - FUSEX	0.62%	0.62%	11.75%	9.97%	6.16%
Fidelity Dividend Growth - FDGFX <Under Review>	0.25%	0.25%	9.74%	7.49%	4.16%
S&P 500 Index	0.64%	0.64%	11.83%	10.06%	6.27%
Large Cap Blend Fund Universe	1.07%	1.07%	10.25%	9.78%	6.12%
<u>Large Cap Equities - Growth</u>					
Fidelity Growth Company - FDGRX	-0.27%	-0.27%	2.25%	10.50%	7.01%
Russell 3000 Growth Index	1.29%	1.29%	6.53%	7.22%	3.81%
Fidelity Blue Chip Growth - FBGRX <Under Review>	-0.61%	-0.61%	2.50%	4.72%	1.82%
Russell 1000 Growth Index	1.19%	1.19%	7.06%	7.01%	3.48%
Large Cap Growth Fund Universe	1.30%	1.30%	4.46%	7.09%	3.69%
<u>Mid Cap Equities - Value</u>					
Franklin Mutual Shares A - TESIX	3.09%	3.09%	14.41%	13.73%	10.68%
Goldman Sachs Mid Cap Value - GCMAX	4.69%	4.69%	7.90%	14.54%	12.75%
Russell Mid Cap Value	4.86%	4.86%	17.13%	18.58%	15.22%
Mid Cap Value Fund Universe	3.97%	3.97%	13.28%	13.74%	11.00%
<u>Mid Cap Equities - Blend</u>					
Dreyfus Mid Cap Index - PESPX	5.68%	5.68%	7.91%	12.85%	10.17%
S&P Mid Cap 400	5.80%	5.80%	8.44%	13.35%	10.70%
Fidelity Spartan Extended Mkt Index - FSEMX	4.02%	4.02%	9.52%	13.76%	12.34%
Wilshire 4500 Index	4.09%	4.09%	9.55%	13.78%	12.61%
Mid Cap Blend Fund Universe	4.06%	4.06%	10.11%	12.70%	10.44%
<u>Mid Cap Equities - Growth</u>					
Fidelity Mid Cap Stock - FMCSX	6.59%	6.59%	7.89%	14.50%	8.56%
Russell Mid Cap Growth	3.96%	3.96%	6.90%	12.41%	9.45%
Mid Cap Growth Fund Universe	4.08%	4.08%	4.09%	10.74%	7.65%

Fund Returns in RED do not meet both benchmarks.

Fund Returns in BLACK meet both benchmarks.

NDPERS Investment Benchmarks - 1st Quarter 2007

	Quarter	Y-T-D	1-Year	3-Year	5-Year
<u>Small Cap Equities - Value</u>					
Allianz NFJ Small Cap Value - PVADX	4.77%	4.77%	13.81%	16.87%	15.36%
Russell 2000 Value Index	1.46%	1.46%	10.38%	14.47%	13.61%
Small Value Fund Universe	2.49%	2.49%	7.69%	12.75%	12.35%
<u>Small Cap Equities - Blend</u>					
Dreyfus Small Cap Index - DISSX	3.09%	3.09%	4.94%	13.48%	11.27%
Russell 2000 Index	1.95%	1.95%	5.91%	12.00%	10.95%
S & P 600 Index	3.21%	3.21%	5.29%	13.89%	11.69%
Small Blend Fund Universe	2.89%	2.89%	5.78%	12.34%	11.05%
<u>Small Cap Equities - Growth</u>					
MSI Small Co Growth B - MSSMX	1.90%	1.90%	1.10%	13.56%	11.46%
Russell 2000 Growth Index	2.48%	2.48%	1.56%	9.41%	7.88%
Small Growth Fund Universe	3.03%	3.03%	1.14%	9.04%	7.26%
<u>International Equity Funds</u>					
Fidelity Diversified International - FDIVX	3.09%	3.09%	15.18%	18.41%	17.41%
MSCI EAFE	4.10%	4.10%	20.38%	20.11%	16.02%
International Stock Fund Universe	3.29%	3.29%	17.44%	19.39%	16.01%
<u>Asset Allocation Funds:</u>					
Fidelity Freedom Income - FFFAX	1.56%	1.56%	6.54%	4.68%	4.50%
Income Benchmark	1.44%	1.44%	7.15%	5.13%	4.92%
Fidelity Freedom 2000 - FFFBX	1.61%	1.61%	6.72%	5.08%	4.80%
2000 Benchmark	1.43%	1.43%	7.43%	5.52%	5.12%
Fidelity Freedom 2005 - FFFVX	1.98%	1.98%	8.27%	7.22%	N/A
2005 Benchmark	1.70%	1.70%	9.65%	8.01%	7.04%
Fidelity Freedom 2010 - FFFCX	1.85%	1.85%	8.17%	7.39%	6.68%
2010 Benchmark	1.70%	1.70%	9.79%	8.17%	7.18%
Fidelity Freedom 2015 - FFFVFX	2.05%	2.05%	8.58%	8.52%	N/A
2015 Benchmark	1.79%	1.79%	10.58%	9.15%	7.79%
Fidelity Freedom 2020 - FFFDX	2.00%	2.00%	8.95%	9.46%	7.66%
2020 Benchmark	1.84%	1.84%	11.35%	10.18%	8.33%
Fidelity Freedom 2025 - FFTWX	2.19%	2.19%	9.18%	9.90%	N/A
2025 Benchmark	1.88%	1.88%	11.63%	10.55%	8.53%
Fidelity Freedom 2030 - FFFEX	2.06%	2.06%	9.40%	10.56%	7.99%
2030 Benchmark	1.91%	1.91%	12.23%	11.45%	8.89%
Fidelity Freedom 2035 - FFTHX	2.20%	2.20%	9.51%	10.84%	N/A
2035 Benchmark	1.92%	1.92%	12.28%	11.51%	8.93%
Fidelity Freedom 2040 - FFFFX	2.11%	2.11%	9.68%	11.13%	8.13%
2040 Benchmark	1.97%	1.97%	12.57%	11.86%	9.16%
Fidelity Freedom 2045 - FFFGX	2.05%	N/A	N/A	N/A	N/A
2040 Benchmark	1.97%	1.97%	12.57%	11.86%	9.16%
Fidelity Freedom 2050 - FFFHX	2.14%	N/A	N/A	N/A	N/A
2040 Benchmark	1.97%	1.97%	12.57%	11.86%	9.16%

Income Benchmark is comprised of 20% Wilshire 5000, 35% LB Agg, 5% ML HY Bond, 40% 3 Month T-Bill

2000 Benchmark is comprised of 25% Wilshire 5000, 1% MSCI EAFE, 36% LB Agg, 2% ML HY Bond, 36% 3 Month T-Bill

2005 Benchmark is comprised of 40% Wilshire 5000, 8% MSCI EAFE, 35% LB Agg, 5% ML HY Bond, 12% 3 Month T-Bill

2010 Benchmark is comprised of 42% Wilshire 5000, 8% MSCI EAFE, 36% LB Agg, 5% ML HY Bond, 9% 3 Month T-Bill

2015 Benchmark is comprised of 49% Wilshire 5000, 10% MSCI EAFE, 30% LB Agg, 7% ML HY Bond, 4% 3 Month T-Bill

2020 Benchmark is comprised of 58% Wilshire 5000, 12% MSCI EAFE, 23% LB Agg, 7% ML HY Bond

2025 Benchmark is comprised of 60% Wilshire 5000, 13% MSCI EAFE, 19% LB Agg, 8% ML HY Bond

2030 Benchmark is comprised of 68% Wilshire 5000, 15% MSCI EAFE, 10% LB Agg, 7% ML HY Bond

2035 Benchmark is comprised of 68% Wilshire 5000, 15% MSCI EAFE, 9% LB Agg, 8% ML HY Bond

2040 Benchmark is comprised of 69% Wilshire 5000, 16% MSCI EAFE, 5% LB Agg, 10% ML HY Bond

2045 Benchmark is comprised of 69% Wilshire 5000, 16% MSCI EAFE, 5% LB Agg, 10% ML HY Bond

2050 Benchmark is comprised of 69% Wilshire 5000, 16% MSCI EAFE, 5% LB Agg, 10% ML HY Bond

Wilshire 5000 Index	1.40%	1.40%	11.33%	11.04%	7.71%
MSCI EAFE	4.10%	4.10%	20.38%	20.11%	16.02%
Lehman Aggregate Bond Index	1.50%	1.50%	6.59%	3.31%	5.35%
ML High Yield Bond Fund Index	2.72%	2.72%	11.61%	8.57%	10.08%
3 Month T-Bill Index	1.24%	1.24%	4.98%	3.33%	2.51%
Russell 3000 Value Index	1.26%	1.26%	16.22%	14.42%	10.51%

Fund Returns in RED do not meet both benchmarks.

Fund Returns in BLACK meet both benchmarks.

NDPERS Mutual Fund Research - 3/31/2007

Large Value

Large Value		Manager Expense								Median	Morn-Star	Category Rank			Average Return				Standard=S&P 500 Index				Standard	Sharpe
Fund	Symbol	Assets	Inception	Tenure	Ratio	Stocks	Turnover	P/E	Mkt Cap	Rating	3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio		
Fidelity Puritan	FPURX	25.8 Billion	4/16/1947	6 Years	0.62%	1134	78%	15.1	38.0 Bil	4-Stars	23	15	1.25	12.43	9.19	7.91	8.72							
Fidelity Equity-Income	FEQIX	31.3 Billion	5/16/1966	13 Years	0.67%	249	24%	15.4	53.5 Bil	3-Stars	47	40	1.06	15.08	11.88	8.14	9.26	93	0.98	1.78	7.18	1.13		

Large Blend

Large Blend																							
				Manager Expense					Median	Morn-Star	Category Rank			Average Return				Standard=S&P 500 Index				Standard	Sharpe
Fund	Symbol	Assets	Inception	Tenure	Ratio	Stocks	Turnover	P/E	Mkt Cap	Rating	3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio	
Fidelity Spartan US Equity Index	FUSEX	27.7 Billion	3/6/1990	Team	0.09%	503	6%	16.9	52.5 Bil	3-Stars	42	35	0.62	11.75	9.97	6.16	8.05	100	1.00	-0.07	6.94	0.90	
Fidelity Dividend Growth <Under Review>	FDGFX	16.6 Billion	4/27/1993	9 Years	0.59%	98	30%	17.5	68.4 Bil	3-Stars	89	82	0.25	9.74	7.49	4.16	9.84	85	0.93	-1.92	7.06	0.56	
Fidelity Diversified International	FDIVX	49.3 Billion	12/27/1991	5 Years	0.97%	357	59%	18.8	27.4 Bil	4-Stars	32	3	3.09	15.18	18.41	17.41	13.22				10.33	1.36	

Large Growth

Large Growth																						
Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index			Standard	Sharpe
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Fidelity Growth Company	FDGRX	29.9 Billion	1/17/1983	9 Years	0.96%	282	54%	24.8	20.0 Bil	4-Stars	14	6	-0.27	2.25	10.50	7.01	9.83	78	1.52	-2.42	11.96	0.60
Fidelity Blue Chip Growth <Under Review>	FBGRX	19.9 Billion	12/31/1987	0 Years	0.61%	167	48%	21.6	52.6 Bil	2-Stars	81	74	-0.61	2.50	4.72	1.82	5.55	92	1.08	-5.46	7.82	0.17

Medium Value

Medium Value																							
				Manager	Expense				Median	Morn-Star	Category Rank			Average Return				Standard=S&P 500 Index				Standard	Sharpe
Fund	Symbol	Assets	Inception	Tenure	Ratio	Stocks	Turnover	P/E	Mkt Cap	Rating	3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio	
Franklin Mutual Shares A	TESIX	23.5 Billion	11/11/1996	3 Years	1.10%	279	33%	15.4	25.7 Bil	4-Stars	20	17	3.09	14.41	13.73	10.68	10.98		78	0.76	4.77	6.01	1.60
Goldman Sachs Mid Cap Value	GCMAX	7.5 Billion	8/15/1997	Team	1.17%	106	49%	17.0	7.2 Bil	4-Stars	10	12	4.69	7.90	14.54	12.75	N/A		72	1.09	5.51	8.87	1.39

Medium Blend

Medium Blend																						
				Manager	Expense				Median	Morn-Star	Category Rank			Average Return				Standard=S&P 500 Index			Standard	Sharpe
Fund	Symbol	Assets	Inception	Tenure	Ratio	Stocks	Turnover	P/E	Mkt Cap	Rating	3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio
Dreyfus Mid Cap Index	PESPX	2.4 Billion	6/19/1991	Team	0.50%	403	16%	19.0	3.5 Bil	3-Stars	44	50	5.68	7.91	12.85	10.17	13.68	77	1.32	0.82	10.38	0.88
Fidelity Spartan Extended Mkt Index	FSEMX	3.1 Billion	11/5/1997	Team	0.10%	3652	13%	19.1	2.4 Bil	4-Stars	32	15	4.02	9.52	13.76	12.34	N/A	79	1.46	0.82	11.40	0.88

Medium Growth

Medium Growth																								
				Manager Expense					Median	Morn-Star	Category Rank				Average Return				Standard=S&P 500 Index				Standard	Sharpe
Fund	Symbol	Assets	Inception	Tenure	Ratio	Stocks	Turnover	P/E	Mkt Cap	Rating	3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio		
Fidelity Mid-Cap Stock	FMC SX	14.5 Billion	3/29/1994	1 Years	0.69%	170	74%	17.0	6.7 Bil	4-Stars	8	27	6.59	7.89	14.50	8.56	13.98	68	1.53	1.22	12.88	0.85		

Small Value

Small Value																							
Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index				Standard	Sharpe
											3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio	
Allianz NFJ Small Cap Value Admin	PVADX	4.5 Billion	11/1/1995	13 Years	1.11%	122	32%	14.2	1.9 Bil	5-Stars	3	11	4.77	13.81	16.87	15.36	13.99	62	1.25	4.85	10.94	1.16	

Small Blend

Small Blend		Manager Expense							Median	Mom-Star	Category Rank			Average Return				Standard=S&P 500 Index				Standard	Sharpe
Fund	Symbol	Assets	Inception	Tenure	Ratio	Stocks	Turnover	P/E	Mkt Cap	Rating	3 - Year	5 - Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio	
Dreyfus Small Cap Index	DISSX	956 Million	6/30/1997	Team	0.50%	599	25%	18.7	1.3 Bil	3-Stars	30	44	3.09	4.94	13.48	11.27	N/A	72	1.57	0.08	12.80	0.77	

Small Growth

Small Growth																							
Fund	Symbol	Assets	Inception	Manager Tenure	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Morn-Star Rating	Category Rank			Average Return				Standard=S&P 500 Index				Standard	Sharpe
											3-Year	5-Year	3-month	1-Year	3-Year	5-Year	10-Year	R-Squared	Beta	Alpha	Deviation	Ratio	
Morgan Stanley Small Cap Growth B	MSSMX	1.9 Billion	1/2/1996	Team	1.26%	77	76%	29.2	1.3 Bil	4-Stars	14	13	1.90	1.10	13.56	11.46	15.87	68	1.69	-0.43	14.18	0.72	

Lifestyle / Others

Fund	Symbol	Assets	Inception	Manager	Expense Ratio	Stocks	Turnover	P/E	Median Mkt Cap	Mom-Star Rating	Category Rank	3 - Year	5 - Year	3-month	Average Return	1-Year	3-Year	5-Year	10-Year	Standard=S&P 500 Index	Standard Deviation	Sharpe Ratio
Fidelity Managed Income Portfolio		8.1 Billion	9/7/1989	15 Years	0.55%																	
PIMCO Total Return Bond Fund	PTRAX	103.0 Billion	9/8/1994	8 Years	0.68%		325%		70.7 Bil	5-Stars	31	29	1.64	6.06	3.41	5.48	6.81				3.23	-0.05
Fidelity Freedom Income	FFFAX	2.4 Billion	10/17/1996	9 Years	0.51%	20	18%	18.8	42.7 Bil	3-Stars	77	73	1.56	6.54	4.68	4.50	5.97				2.19	0.49
Fidelity Freedom 2000	FFFBX	1.7 Billion	10/17/1996	9 Years	0.52%	25	20%	18.1	37.7 Bil	4-Stars	68	67	1.61	6.72	5.08	4.80	6.98				2.53	0.58
Fidelity Freedom 2005	FFVFX	0.9 Billion	11/6/2003	9 Years	0.62%	25	4%	18.0	35.1 Bil	4-Stars	16	N/A	1.98	8.27	7.22	N/A	N/A	N/A	N/A	N/A	4.22	0.84
Fidelity Freedom 2010	FFFCX	13.1 Billion	10/17/1996	9 Years	0.62%	25	8%	18.0	35.1 Bil	5-Stars	12	23	1.85	8.17	7.39	6.68	8.52				4.42	0.84
Fidelity Freedom 2015	FFVFX	5.1 Billion	11/6/2003	9 Years	0.67%	25	1%	18.0	35.1 Bil	3-Stars	52	N/A	2.05	8.58	8.52	N/A	N/A	N/A	N/A	N/A	5.34	0.90
Fidelity Freedom 2020	FFFDX	18.3 Billion	10/17/1996	9 Years	0.70%	25	4%	18.0	25.4 Bil	3-Stars	25	43	2.00	8.95	9.46	7.66	9.00				6.26	0.91
Fidelity Freedom 2025	FFTWX	4.3 Billion	11/6/2003	9 Years	0.72%	23	1%	18.0	35.1 Bil	4-Stars	21	N/A	2.19	9.18	9.90	N/A	N/A	N/A	N/A	N/A	6.68	0.92
Fidelity Freedom 2030	FFFEX	11.9 Billion	10/17/1996	9 Years	0.74%	23	5%	18.0	25.2 Bil	4-Stars	45	51	2.06	9.40	10.56	7.99	8.95				7.29	0.93
Fidelity Freedom 2035	FFTHX	2.5 Billion	11/6/2003	9 Years	0.75%	23	1%	18.0	35.1 Bil	3-Stars	40	N/A	2.20	9.51	10.84	N/A	N/A	N/A	N/A	N/A	7.44	0.95
Fidelity Freedom 2040	FFFFX	5.9 Billion	9/6/2000	3 Years	0.76%	23	4%	18.0	26.8 Bil	3-Stars	35	29	2.11	9.68	11.13	8.13	N/A				7.76	0.95
Fidelity Freedom 2045	FFFGX	0.2 Billion	9/6/2006	3 Years	0.79%	23	4%	18.0	26.8 Bil	N/A	N/A	N/A	2.05	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fidelity Freedom 2050	FFFHX	0.1 Billion	9/6/2006	3 Years	0.79%	23	4%	18.0	26.8 Bil	N/A	N/A	N/A	2.14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

R-squared - This compares a fund's performance to a given index. If R-squared is 100, the fund moves in lockstep with the index to which it is being compared. Generally, a higher R-squared will indicate a more useful beta figure. If the R-squared is lower, then the beta is less relevant to the fund's performance.

Beta - This compares a fund's volatility to a given index. If beta is greater than 1, the fund is more volatile than the index to which it is being compared. If beta is lower than 1, the fund is less volatile than the index. If a fund's R-squared is low, beta is less reliable as a predictor of volatility.

Alpha - This is a measure of risk-adjusted performance. The higher a fund's alpha, the better it has done. A fund's alpha is only reliable when its R-squared is relatively high.

Standard Deviation - The higher this number is, the more volatile the fund's returns have been. It indicates how much the fund has deviated from its mean total return over the past three years.

Sharpe Ratio - This measure combines standard deviation and mean total return to show a risk-adjusted measure of the fund's performance. The higher this number is, the better. As a rule of thumb, a Sharpe ratio of more than 1.00 is very good.



FUNDNETSM PERFORMANCE UPDATE



Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit www.401k.com.

Ticker	Name	Cumulative Total Returns %		Average Annual Total Returns %						Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio
		Periods Ending March 31, 2007		Periods Ending March 31, 2007								
		3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF				
BOND FUNDS												
CSIBX	Calvert Social Investment Fund Bond Portfolio - A	1.69	1.69	6.49	4.38	6.24	6.71	7.50	08/24/1987	N/A	1.14	
LBCNX	Lehman Brothers Core Bond Fund - Inv	1.42	1.42	6.76	3.31	5.05	5.71	5.53	02/01/1997	N/A	1.46	
MGFIX	Managers Bond Fund	1.17	1.17	9.01	4.57	7.69	7.58	9.63	06/01/1984	N/A	1.02	
MFAX	MSIF Trust Core Plus Fixed Income Portfolio - Adv	1.60	1.60	6.13	4.18	5.24	6.15	5.96	11/07/1996	2.00/7	0.69	
PLGBX	PIMCO Long-Term U.S. Government Fund - Adm	1.64	1.64	6.58	2.78	7.30	N/A	7.31	09/23/1997	2.00/30	0.76	
PLDAX	PIMCO Low Duration Fund - Adm	1.59	1.59	5.04	2.47	3.52	5.03	5.59	01/03/1995	2.00/7	0.68	
PTRAX	PIMCO Total Return Fund - Adm	1.64	1.64	6.06	3.41	5.48	6.81	7.10	09/08/1994	2.00/7	0.68	
WAPIX	Western Asset Core Bond Portfolio - FI	1.42	1.42	7.95	3.82	5.89	N/A	6.63	07/21/1999	N/A	0.70	
WACIX	Western Asset Core Plus Bond Portfolio - FI	1.36	1.36	8.31	4.76	6.82	N/A	6.48	01/07/2002	N/A	0.70	
HIGH YIELD												
CMHYX	Columbia Conservative High Yield Fund - Z	2.07	2.07	6.98	5.34	6.03	6.22	6.73	10/01/1993	N/A	0.76	
LBHBX	Lehman Brothers High Income Bond Fund - Inv	2.85	2.85	9.78	6.05	7.29	6.93	7.31	02/01/1992	N/A	0.90	
MAHYX	MSIF Trust High Yield Portfolio - Adv	1.79	1.79	9.13	6.90	7.67	3.99	3.87	01/31/1997	2.00/30	0.86	
PHYAX	PIMCO High Yield Fund - Adm	2.19	2.19	8.93	8.02	9.17	6.93	8.28	01/16/1995	2.00/30	0.75	
INFLATION-PROTECTED												
PARRX	PIMCO Real Return Fund - Adm	2.49	2.49	4.74	2.82	7.35	N/A	7.76	01/29/1997	2.00/7	0.70	
INTERNATIONAL/GLOBAL												
PADMX	PIMCO Global Bond Fund (Unhedged) - Adm	1.02	1.02	6.55	2.75	9.49	5.91	5.82	07/31/1996	2.00/30	0.81	
TPINX	Templeton Global Bond Fund - A	1.87	1.87	11.83	8.04	12.90	7.69	7.99	09/18/1986	2.00/7	1.03	
BALANCED/HYBRID FUNDS												
AABPX	American Beacon Balanced Fund - PlanAhead	1.05	1.05	11.87	10.24	8.88	8.57	9.75	07/17/1987	N/A	0.88	
CSIFX	Calvert Social Investment Fund Balanced Portfolio - A	0.52	0.52	6.85	6.53	5.27	5.95	8.91	10/21/1982	N/A	1.34	
OAKBX	The Oakmark Equity and Income Fund - I	3.21	3.21	12.13	9.58	9.67	13.30	13.49	11/01/1995	N/A	0.86	
ACEIX	Van Kampen Equity and Income Fund - A	0.58	0.58	10.68	10.15	8.16	10.93	11.09	08/03/1960	2.00/7	0.78	
DOMESTIC EQUITY FUNDS												
LARGE VALUE												
AAGPX	American Beacon Large Cap Value Fund - PlanAhead	1.19	1.19	14.82	14.97	11.28	9.84	11.69	07/17/1987	N/A	0.87	
ALVIX	American Century Large Company Value Fund - Inv	-0.01	-0.01	15.37	11.82	8.95	N/A	7.68	07/30/1999	N/A	0.84	
WFGIX	Credit Suisse Large Cap Value Fund - A	0.80	0.80	16.37	13.05	8.21	10.20	11.76	07/09/1992	N/A	1.08	
KDHAX	DWS-Dreman High Return Equity Fund - A	-1.06	-1.06	12.82	12.12	7.42	10.57	14.11	03/18/1988	2.00/15	1.14	
LAFFX	Lord Abbett Affiliated Fund - A	0.36	0.36	11.48	10.25	7.19	9.66	11.27	05/14/1934	N/A	0.82	
MGIEX	Managers Value Fund	-0.93	-0.93	11.71	10.69	5.73	8.43	11.82	10/31/1984	N/A	1.19	
MPVAX	MSIF Trust Value Portfolio - Adv	1.01	1.01	14.66	12.00	7.62	8.28	10.05	07/17/1996	2.00/7	0.87	
TESIX	Mutual Shares Fund - A	3.09	3.09	14.41	13.73	10.68	10.98	11.65	11/01/1996	2.00/7	1.16	
ACGIX	Van Kampen Growth and Income Fund - A	0.03	0.03	12.78	12.60	8.60	11.23	10.07	08/01/1946	2.00/7	0.79	
LARGE BLEND												
GTVLX	AIM Basic Value Fund - A	0.46	0.46	8.31	8.83	5.53	11.29	12.38	10/18/1995	N/A	1.20	
DSEFX	Domini Social Equity Fund - Inv	0.72	0.72	9.76	7.47	4.98	7.34	9.89	06/03/1991	2.00/60	1.19	
LMVFX	Legg Mason Value Trust - FI	-1.42	-1.42	4.21	8.25	8.95	N/A	6.27	03/23/2001	N/A	1.02	
NBFCX	Neuberger Berman Focus Fund - Trust	-0.43	-0.43	1.45	2.47	3.24	8.40	10.48	08/30/1993	N/A	1.07	
NBGTX	Neuberger Berman Guardian Fund - Trust	0.47	0.47	10.09	11.68	7.03	5.99	8.44	08/03/1993	N/A	1.05	
NBPTX	Neuberger Berman Partners Fund - Trust	1.21	1.21	9.07	14.88	9.74	8.71	10.78	08/30/1993	N/A	1.00	
NBSTX	Neuberger Berman Socially Responsive Fund - Trust	1.01	1.01	11.89	11.54	9.69	9.21	8.53	03/03/1997	N/A	1.13	

Ticker	Name	Cumulative Total Returns %		Average Annual Total Returns %					Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio
		Periods Ending March 31, 2007		Periods Ending March 31, 2007							
		3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF			
LARGE BLEND cont.											
OAKMX	The Oakmark Fund - I	-0.26	-0.26	13.62	8.64	6.02	8.13	15.29	08/05/1991	N/A	1.05
OAKLX	The Oakmark Select Fund - I	-2.12	-2.12	8.45	7.68	7.09	16.09	17.58	11/01/1996	N/A	0.99
LARGE GROWTH											
CSTGX	AIM Constellation Fund - A	1.41	1.41	1.30	7.01	3.84	5.50	14.02	04/30/1976	N/A	1.24
PICAX	Allianz CCM Capital Appreciation Fund - Adm	2.18	2.18	2.74	9.06	5.50	8.56	9.94	07/31/1996	N/A	0.97
TWCUX	American Century Ultra Fund - Inv	0.18	0.18	-3.36	1.93	1.37	5.68	12.41	11/02/1981	N/A	0.99
LARGE GROWTH											
CSIEX	Calvert Social Investment Fund Equity Portfolio - A	-0.64	-0.64	5.45	7.03	4.45	8.84	8.34	08/24/1987	N/A	1.23
CUCAX	Credit Suisse Large Cap Growth Fund - Common ^A	1.07	1.07	1.58	5.07	1.45	5.75	8.97	08/17/1987	N/A	1.00
HGWYX	Hartford Growth Fund - Y	-1.10	-1.10	1.25	5.37	4.75	N/A	5.60	04/19/2002	N/A	0.83
SHRAX	Legg Mason Partners Aggressive Growth Fund - A◆	-1.64	-1.64	1.42	7.99	5.23	14.33	13.73	10/24/1993	N/A	1.11
SBLGX	Legg Mason Partners Large Cap Growth Fund - A	-3.05	-3.05	1.09	2.11	3.21	N/A	7.46	08/29/1997	N/A	1.11
LGRRX	Loomis Sayles Growth Fund - A	2.30	2.30	-2.81	7.12	5.41	5.21	4.83	05/16/1991	N/A	1.17
MGCAX	Managers AMG Essex Large Cap Growth Fund**	2.54	2.54	2.54	5.51	1.63	7.40	11.61	06/01/1984	N/A	1.29
MSEGX	MSIF U.S. Large Cap Growth Portfolio - B	2.76	2.76	6.22	9.53	4.46	6.75	8.68	01/02/1996	2.00/7	0.90
TGCNX	TCW Select Equities Fund - N	-0.97	-0.97	-4.47	3.02	2.70	N/A	2.64	03/01/1999	N/A	1.17
PTSGX	Touchstone Sands Capital Select Growth Fund - Z ^{AA}	2.45	2.45	-2.33	5.60	4.82	N/A	-3.37	08/11/2000	N/A	1.45
MID VALUE◆											
ABASX	AllianceBernstein Small/Mid-Cap Value Fund - A	7.27	7.27	13.60	14.12	13.18	N/A	16.09	03/29/2001	N/A	1.32
ARTQX	Artisan Mid Cap Value Fund - Inv	4.86	4.86	13.45	17.54	16.72	N/A	16.12	03/28/2001	N/A	1.20
LAVLX	Lord Abbett Mid-Cap Value Fund - A⊙	4.99	4.99	13.82	14.12	11.05	14.85	13.39	06/28/1983	N/A	1.02
NBRES	Neuberger Berman Regency Fund - Trust	3.29	3.29	9.33	14.39	12.66	N/A	13.40	06/10/1999	N/A	1.33
FMIVX	Phoenix Mid-Cap Value Fund - A	5.47	5.47	25.80	17.69	14.06	N/A	12.01	12/20/1997	N/A	1.42
SMCDX	Wells Fargo Advantage Mid Cap Disciplined Fund - Inv	2.24	2.24	14.03	13.67	12.75	N/A	17.05	12/31/1998	N/A	1.54
MID BLEND◆											
GTAGX	AIM Mid Cap Core Equity Fund - A	4.45	4.45	10.55	11.12	8.74	12.87	12.83	06/09/1987	N/A	1.27
CAAPX	Ariel Appreciation Fund	1.92	1.92	11.01	8.27	7.32	13.01	12.49	12/01/1989	N/A	1.16
ARGFX	Ariel Fund	3.94	3.94	6.09	9.77	9.75	13.42	13.59	11/06/1986	N/A	1.07
CRMMX	CRM Mid Cap Value Fund - Inv⊙	5.34	5.34	14.28	15.82	13.01	N/A	16.29	09/20/2000	N/A	1.08
RSVAX	RS Value Fund	5.72	5.72	17.71	18.68	23.93	6.95	9.17	06/30/1993	N/A	1.39
CBMDX	Wells Fargo Advantage C&B Mid Cap Value Fund - D	3.42	3.42	16.98	13.91	12.35	N/A	14.43	02/18/1998	N/A	1.40
MID GROWTH◆											
PMCGX	Allianz CCM Mid-Cap Fund - Adm	6.21	6.21	2.96	11.60	8.85	10.00	12.86	11/30/1994	N/A	0.96
TWCVX	American Century Vista Fund - Inv	6.66	6.66	5.75	10.53	10.55	9.65	10.76	11/25/1983	N/A	1.00
ARTMX	Artisan Mid Cap Fund - Inv	3.02	3.02	5.17	10.39	7.60	N/A	17.18	06/27/1997	N/A	1.18
BARAX	Baron Asset Fund	2.89	2.89	7.89	16.13	10.14	10.05	13.30	06/12/1987	N/A	1.33
CCAFX	Calvert Capital Accumulation Fund - A	4.28	4.28	1.11	5.27	2.80	6.48	8.45	10/31/1994	N/A	1.71
ACTWX	Columbia Acorn Select Fund - Z	7.00	7.00	18.77	16.97	15.39	N/A	15.75	11/22/1998	N/A	1.01
CUEGX	Credit Suisse Mid-Cap Core Fund - Common ^{AAA}	4.28	4.28	0.11	5.80	6.53	5.37	10.35	01/21/1988	N/A	1.18
FRSGX	Franklin Small-Mid Cap Growth Fund - A	5.90	5.90	5.95	11.64	7.24	9.52	12.61	02/14/1992	2.00/7	0.97
MACGX	MSIF Trust Mid Cap Growth Portfolio - Adv	2.93	2.93	3.72	15.50	10.77	13.31	11.70	01/31/1997	2.00/7	0.88
PKSFX	Phoenix Small-Mid Cap Fund - I ^{AAAA}	4.01	4.01	8.88	10.02	5.92	10.65	10.30	10/18/1996	N/A	1.17
RIMSX	Rainier Small/Mid Cap Equity Portfolio - Inv⊙	6.79	6.79	7.45	17.18	14.27	12.67	15.26	05/10/1994	N/A	1.21
SMALL VALUE◆											
PVADX	Allianz NFJ Small-Cap Value Fund - Adm⊙	4.77	4.77	13.81	16.87	15.36	13.99	14.95	11/01/1995	N/A	1.11
AVPAX	American Beacon Small Cap Value Fund - PlanAhead⊙	3.30	3.30	8.52	12.43	14.16	N/A	16.38	03/01/1999	N/A	1.09
RYOFX	Royce Opportunity Fund - Svc	4.45	4.45	6.18	12.77	14.56	N/A	15.53	05/22/2000	N/A	1.41
RYTFX	Royce Total Return Fund - Svc	3.16	3.16	7.85	12.76	11.83	N/A	12.91	01/03/2002	N/A	1.36
SCVIX	Wells Fargo Advantage Small Company Value Fund - Adm⊙	1.96	1.96	4.90	14.15	12.46	N/A	15.23	01/31/2002	N/A	1.39
SMALL BLEND◆											
ASQIX	American Century Small Company Fund - Inv⊙	3.64	3.64	-0.54	11.57	14.85	N/A	12.53	07/31/1998	N/A	0.87
CNVAX	Calvert New Vision Small Cap Fund - A	0.73	0.73	-7.25	-1.90	0.44	6.00	3.60	01/31/1997	N/A	1.74
FMACX	FMA Small Company Portfolio - Instl	1.71	1.71	7.26	14.27	10.93	11.63	13.04	07/31/1991	N/A	1.29

Ticker	Name	Cumulative Total Returns %		Average Annual Total Returns %					Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio	
		Periods Ending March 31, 2007		Periods Ending March 31, 2007								
		3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF				
SMALL BLEND cont												
LSCRX	Loomis Sayles Small Cap Value Fund - Retail	4.42	4.42	9.25	14.43	11.60	12.50	11.99	05/13/1991	N/A	1.20	
LSBAX	Lord Abbett Small-Cap Blend Fund - A	4.84	4.84	0.48	12.41	13.23	N/A	14.01	06/26/2001	N/A	1.37	
MGSEX	Managers Special Equity Fund	3.94	3.94	4.88	10.01	8.82	11.06	13.65	06/01/1984	N/A	1.45	
NBGEX	Neuberger Berman Genesis Fund - TrustⓄ	4.94	4.94	5.70	13.89	12.98	14.61	14.89	08/26/1993	N/A	1.10	
RYLPX	Royce Low-Priced Stock Fund - SvcⓄ	4.75	4.75	7.70	12.87	11.57	16.60	15.96	12/15/1993	N/A	1.54	
RSPFX	RS Partners Fund	4.22	4.22	6.86	16.20	21.47	14.56	16.24	07/12/1995	N/A	1.52	
SSMVX	Wells Fargo Advantage Small Cap Value Fund - Z	3.41	3.41	7.47	15.05	15.21	N/A	17.84	12/31/1997	N/A	1.61	
SMALL GROWTH ◆												
ARTSX	Artisan Small Cap Fund - Inv Ⓞ	0.44	0.44	-4.74	9.45	7.83	7.75	9.54	03/28/1995	N/A	1.15	
BGRFX	Baron Growth FundⓄ	2.77	2.77	6.70	13.98	11.92	14.41	17.62	01/03/1995	N/A	1.31	
BSCFX	Baron Small Cap Fund	3.85	3.85	4.34	12.75	12.07	N/A	12.30	09/30/1997	N/A	1.33	
HSLYX	Hartford SmallCap Growth Fund - Y	2.84	2.84	-0.12	9.71	7.99	N/A	10.26	04/19/2002	N/A	0.92	
MSSMX	MSIF Small Company Growth Portfolio - BⓄ	1.90	1.90	1.10	13.56	11.46	15.87	13.26	01/02/1996	2.00/30	1.29	
NBFSX	Neuberger Berman Fasciano Fund - Inv	2.92	2.92	-1.39	6.51	5.98	8.97	11.32	11/10/1988	N/A	1.21	
RYVPX	Royce Value Plus Fund - Svc	5.39	5.39	9.02	18.00	20.90	N/A	23.52	06/14/2001	N/A	1.42	
RSEGX	RS Emerging Growth Fund	0.98	0.98	-0.69	6.68	4.37	11.82	15.30	11/30/1987	N/A	1.54	
RSSGX	RS Smaller Company Growth Fund	1.23	1.23	-4.00	6.89	6.80	12.22	11.68	08/15/1996	N/A	1.56	
INTERNATIONAL/GLOBAL FUNDS ◆												
AGAAX	AIM Global Aggressive Growth Fund - A ◆	5.21	5.21	17.68	21.79	17.32	9.63	11.61	09/15/1994	N/A	1.64	
AAIPX	American Beacon International Equity Fund - PlanAhead	2.96	2.96	18.92	19.26	15.82	10.11	10.84	08/01/1994	2.00/90	0.97	
ARTIX	Artisan International Fund - Inv	4.73	4.73	18.86	19.28	13.33	12.81	14.80	12/28/1995	2.00/90	1.20	
SGSCX	DWS Global Opportunities Fund - S ◆	5.48	5.48	15.29	21.34	17.64	13.48	12.67	09/10/1991	2.00/30	1.34	
SCINX	DWS International Fund - S	3.79	3.79	18.07	19.30	13.60	8.44	N/A	06/18/1953	2.00/30	1.00	
HNCYX	Hartford International Capital Appreciation Fund - Y	2.34	2.34	15.49	14.23	14.57	N/A	9.65	04/30/2001	N/A	1.06	
MIGEX	MSIF Global Value Equity Portfolio - B	2.20	2.20	18.10	12.95	8.64	8.64	9.80	01/02/1996	2.00/30	1.15	
MIQBX	MSIF International Equity Portfolio - B	4.41	4.41	19.00	15.57	14.76	11.72	12.48	01/02/1996	2.00/30	1.18	
TEDIX	Mutual Discovery Fund - A ◆	4.98	4.98	17.58	19.44	15.01	13.05	13.62	12/31/1992	2.00/7	1.42	
NBITX	Neuberger Berman International Fund - Trust†	2.42	2.42	15.33	24.04	20.96	N/A	10.32	06/29/1998	N/A	1.33	
TEMTX	Templeton Foreign Fund - A ◆	2.05	2.05	14.96	15.42	12.76	8.73	13.57	10/05/1982	2.00/7	1.16	
FINEX	Templeton Foreign Smaller Companies Fund - A ◆	6.69	6.69	19.83	18.34	17.69	10.16	11.17	09/20/1991	2.00/7	1.50	
TEPLX	Templeton Growth Fund, Inc. - A	0.70	0.70	16.23	14.63	12.52	10.63	14.00	11/29/1954	2.00/7	1.05	
TEMWX	Templeton World Fund - A	0.72	0.72	15.45	14.71	12.27	9.75	14.05	01/17/1978	2.00/7	1.06	
EMERGING MARKET ◆												
MMKBX	MSIF Emerging Markets Portfolio - B	2.53	2.53	23.58	28.29	24.52	10.29	11.07	01/02/1996	2.00/30	1.66	
TEDMX	Templeton Developing Markets Trust - A	1.51	1.51	17.02	25.28	23.96	7.98	9.65	10/16/1991	2.00/7	1.97	
DOMESTIC EQUITY BENCHMARKS												
	Dow Jones Industrial Average	-0.33	-0.33	13.83	8.48	5.86	8.60					
	Domini 400 Social Index	-0.17	-0.17	9.20	7.96	5.64	8.32					
	NASDAQ CompositeⓄ	0.44	0.44	4.23	7.44	6.23	7.58					
	Russell 1000Ⓞ	1.21	1.21	11.84	10.73	6.92	8.61					
	Russell 1000Ⓞ Growth	1.19	1.19	7.06	7.01	3.48	5.51					
	Russell 1000Ⓞ Value	1.24	1.24	16.83	14.42	10.25	10.85					
	Russell 2000Ⓞ	1.95	1.95	5.91	12.00	10.95	10.23					
	Russell 2000Ⓞ Growth	2.48	2.48	1.56	9.41	7.88	6.31					
	Russell 2000Ⓞ Value	1.46	1.46	10.38	14.47	13.61	13.46					
	Russell 2500™	3.55	3.55	8.23	13.26	12.15	12.03					
	Russell 2500™ Growth	4.03	4.03	4.44	11.12	9.13	8.43					
	Russell 2500™ Value	3.08	3.08	12.15	15.19	14.33	13.95					
	Russell MidCapⓄ	4.38	4.38	11.79	15.72	12.91	12.71					
	Russell MidcapⓄ Growth	3.96	3.96	6.90	12.41	9.45	9.44					
	Russell MidcapⓄ Value	4.86	4.86	17.13	18.58	15.22	14.00					
	S&P 500Ⓞ	0.64	0.64	11.83	10.06	6.27	8.20					
	S&PⓄ MidCap 400	5.80	5.80	8.44	13.35	10.70	14.29					

Ticker	Name	Cumulative Total Returns %		Average Annual Total Returns %					LOF	Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio
		Periods Ending March 31, 2007		Periods Ending March 31, 2007								
		3 Month	YTD	1 Year	3 Year	5 Year	10 Year					
BLENDED BENCHMARKS												
	60 S&P 500/40 LB Aggregate Bond	1.00	1.00	9.76	7.38	6.14	7.84					
INTERNATIONAL/GLOBAL BENCHMARKS												
	MSCI EAFE® (G)	4.15	4.15	20.69	20.31	16.24	8.67					
	MSCI EAFE® (Net MA Tax)	4.10	4.10	20.38	20.11	16.02	8.53					
	MSCI EMF (G)	2.35	2.35	21.03	27.97	24.84	8.77					
	MSCI World® (Net MA Tax)	2.58	2.58	15.85	15.08	10.86	8.10					
FIXED INCOME BENCHMARKS												
	CitiGroup Broad Investment Grade Bond	1.49	1.49	6.60	3.38	5.40	6.48					
	CitiGroup World Government Bond	1.15	1.15	7.78	2.69	9.01	5.81					
	CSFB High Yield	3.01	3.01	11.82	8.73	11.17	7.25					
	LB Aggregate Bond	1.50	1.50	6.59	3.31	5.35	6.46					
	LB Government/Credit Bond	1.47	1.47	6.38	2.90	5.57	6.51					
	LB Intermediate Government/Credit Bond	1.59	1.59	6.14	2.60	4.91	5.99					
	LB Treasury Long Term	1.05	1.05	6.79	3.88	7.52	8.11					
	ML 1-3 Year Treasury Bill	1.40	1.40	5.02	2.31	3.11	4.76					
	ML High Yield Master Cash Pay	2.67	2.67	11.45	8.49	10.00	7.03					
	ML High Yield U.S. Corporate- BB-B Rated	2.39	2.39	10.47	7.94	8.97	6.56					

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

Although the information contained in this report has been carefully verified, its accuracy cannot be guaranteed. All numbers are unaudited.

Non-Fidelity mutual funds are managed by non-Fidelity entities. Please consult the prospectus for more information. If applicable, class of shares will vary. Please consult your plan documents for the specific class of shares available through your plan. Morningstar, Inc., provided data on the non-Fidelity mutual funds. Although the data is gathered from reliable sources, accuracy and completeness cannot be guaranteed by Morningstar.

The funds are arranged according to Morningstar categories. Categories for some equity funds may change over time. For details, please consult the fund's prospectus at fidelity.com.

Expense Ratio is the total annual fund operating expense ratio from the fund's most recent prospectus.

Not all funds may be available for your plan.

Specific Funds

⊗ Closed to most new plans/accounts. Please consult the prospectuses for more details.

▲ Formerly known as Neuberger Berman High Income Bond Fund – Investor Class.

** Formerly known as Managers Capital Appreciation Fund.

▲ Formerly known as Credit Suisse Capital Appreciation Fund.

^^ Formerly known as Constellation Sands Capital Select Growth Fund Class II.

^^^ Formerly known as Credit Suisse Mid-Cap Growth Fund.

^^^^ Formerly known as Class X.

Investment Risk

□ In general bond prices rise when interest rates fall, and vice versa. The effect is usually more pronounced for larger-term securities.

† Lower-quality debt securities involve greater risk of default and/or price changes due to changes in the credit quality of the issuer.

Ω The value of inflation-protected debt securities tends to change less due to changes in inflation than other types of bonds but may decrease with decreases in inflation or, as other debt securities, with increases in interest rates.

◆ Investments in smaller companies may involve greater risks than those of larger, more well-known companies.

❖ Foreign investments, especially those in emerging markets involve greater risks and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations.

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Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.



FIDELITY® PERFORMANCE UPDATE



Understanding investment performance: As you review this update, please remember that the performance data stated represents past performance, which does not guarantee future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance stated. To learn more or to obtain the most recent month-end performance, call Fidelity or visit www.401k.com.

		Cumulative Total Returns % Periods Ending March 31, 2007		Average Annual Total Returns % Periods Ending March 31, 2007					Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio
Fund No.	Name	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF			
LIFECYCLE FUNDS +											
369	Fidelity Freedom Income Fund®	1.56	1.56	6.54	4.68	4.50	5.97	5.90	10/17/1996	N/A	0.00/0.51 **
370	Fidelity Freedom 2000 Fund®	1.61	1.61	6.72	5.08	4.80	6.98	6.87	10/17/1996	N/A	0.00/0.52 **
1312	Fidelity Freedom 2005 Fund®	1.98	1.98	8.27	7.22	N/A	N/A	7.94	11/06/2003	N/A	0.00/0.62 **
371	Fidelity Freedom 2010 Fund®	1.85	1.85	8.17	7.39	6.68	8.52	8.39	10/17/1996	N/A	0.00/0.62 **
1313	Fidelity Freedom 2015 Fund®	2.05	2.05	8.58	8.52	N/A	N/A	9.37	11/06/2003	N/A	0.00/0.67 **
372	Fidelity Freedom 2020 Fund®	2.00	2.00	8.95	9.46	7.66	9.00	8.90	10/17/1996	N/A	0.00/0.70 **
1314	Fidelity Freedom 2025 Fund®	2.19	2.19	9.18	9.90	N/A	N/A	10.84	11/06/2003	N/A	0.00/0.72 **
373	Fidelity Freedom 2030 Fund®	2.06	2.06	9.40	10.56	7.99	8.95	8.84	10/17/1996	N/A	0.00/0.74 **
1315	Fidelity Freedom 2035 Fund®	2.20	2.20	9.51	10.84	N/A	N/A	11.84	11/06/2003	N/A	0.00/0.75 **
718	Fidelity Freedom 2040 Fund®	2.11	2.11	9.68	11.13	8.13	N/A	1.88	09/06/2000	N/A	0.00/0.76 **
1617	Fidelity Freedom 2045 Fund®	2.05	2.05	N/A	N/A	N/A	N/A	N/A	06/01/2006	N/A	0.00/0.79 **
1618	Fidelity Freedom 2050 Fund®	2.14	2.14	N/A	N/A	N/A	N/A	N/A	06/01/2006	N/A	0.00/0.79 **
ASSET ALLOCATION FUNDS											
328	Fidelity Asset Manager® 20% ^A	1.63	1.63	6.57	6.49	6.90	6.79	7.43	10/01/1992	N/A	0.58
314	Fidelity Asset Manager® 50% ^{AA}	2.17	2.17	8.52	6.39	5.51	7.65	9.72	12/28/1988	N/A	0.72
321	Fidelity Asset Manager® 70% ^{AAA}	2.40	2.40	8.80	6.98	5.26	7.07	9.38	12/30/1991	N/A	0.81
347	Fidelity Asset Manager® 85% ^{AAAA}	2.70	2.70	10.67	9.85	5.76	N/A	6.04	09/24/1999	N/A	0.91
MONEY MARKET FUNDS ∞											
55	Fidelity Cash Reserves 7-Day Yield* % as of 03/31/2007: 5.00	1.23	1.23	4.97	3.26	2.40	3.70	6.40	05/10/1979	N/A	0.45
631	Fidelity Retirement Government Money Market Portfolio 7-Day Yield* % as of 03/31/2007: 5.02	1.22	1.22	4.95	3.23	2.35	3.66	4.50	12/16/1988	N/A	0.42
630	Fidelity Retirement Money Market Portfolio 7-Day Yield* % as of 03/31/2007: 5.01	1.24	1.24	5.04	3.29	2.42	3.73	4.58	12/02/1988	N/A	0.42
50	Fidelity U.S. Government Reserves 7-Day Yield* % as of 03/31/2007: 5.05	1.23	1.23	4.98	3.28	2.41	3.68	5.47	11/03/1981	N/A	0.38
∞ The current 7-day yield reflects the current earnings of the fund, while the total return refers to a specific past holding period. An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.											
MANAGED INCOME PORTFOLIOS ▼											
632	Managed Income Portfolio	1.06	1.06	4.20	3.99	4.26	5.05	5.71	09/07/1989	N/A	N/A
633	Managed Income Portfolio II - Class 1	1.05	1.05	4.19	3.89	4.14	5.04	5.30	04/20/1993	N/A	N/A
768	Managed Income Portfolio II - Class 2	1.08	1.08	4.29	4.00	4.25	5.14	5.40	04/20/1993	N/A	N/A
769	Managed Income Portfolio II - Class 3	1.11	1.11	4.44	4.15	4.40	5.27	5.53	04/20/1993	N/A	N/A
30-day yield as of 03/31/07 for Managed Income Portfolio is 4.27%. 30-day yield as of 03/31/07 for Managed Income Portfolio II Class 1, Class 2 and Class 3 are 4.27%, 4.38% and 4.53% respectively.											
BOND FUNDS ▾											
15	Fidelity Ginnie Mae Fund	1.37	1.37	5.99	3.52	4.36	5.73	7.16	11/08/1985	N/A	0.45
54	Fidelity Government Income Fund	1.40	1.40	5.78	2.71	4.86	5.89	8.28	04/04/1979	N/A	0.45
662	Fidelity Institutional Short-Intermediate Government Fund	1.42	1.42	4.99	2.12	3.46	5.01	6.07	11/10/1986	N/A	0.45
32	Fidelity Intermediate Bond Fund	1.53	1.53	6.12	2.78	4.96	5.92	8.36	05/23/1975	N/A	0.45
452	Fidelity Intermediate Government Income Fund	1.44	1.44	5.46	2.22	4.20	5.47	6.23	05/02/1988	N/A	0.45

Cumulative Total Returns %				Average Annual Total Returns %					Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio	
Periods Ending March 31, 2007				Periods Ending March 31, 2007								
3 Month YTD				1 Year	3 Year	5 Year	10 Year	LOF				
Fund No.	Name											
BOND FUNDS cont.												
26	Fidelity Investment Grade Bond Fund	1.33	1.33	6.64	3.60	5.53	6.29	7.78	08/06/1971	N/A	0.45	
40	Fidelity Mortgage Securities FundΔ	1.10	1.10	6.12	3.65	4.85	6.09	7.80	12/31/1984	N/A	0.45	
450	Fidelity Short-Term Bond Fund	1.12	1.12	5.17	2.77	3.92	5.04	5.77	09/15/1986	N/A	0.45	
368	Fidelity Strategic Income Fund❖	1.68	1.68	8.51	6.83	9.85	N/A	7.47	05/01/1998	N/A	0.75	
1505	Fidelity Strategic Real Return Fund	2.66	2.66	8.01	N/A	N/A	N/A	5.72	09/07/2005	0.75/60	0.80	
820	Fidelity Total Bond Fund	1.45	1.45	6.84	3.98	N/A	N/A	5.35	10/15/2002	N/A	0.45	
651	Fidelity U.S. Bond Index Fund✱	1.54	1.54	6.53	3.26	5.50	6.47	7.37	03/08/1990	N/A	0.50	
812	Fidelity Ultra-Short Bond Fund	0.95	0.95	4.77	3.19	N/A	N/A	2.82	08/29/2002	0.25/60	0.45	
1564	Spartan® Intermediate Treasury Bond Index Fund - Adv	1.68	1.68	6.37	N/A	N/A	N/A	3.89	12/20/2005	N/A	0.10	
1561	Spartan® Intermediate Treasury Bond Index Fund - Inv	1.66	1.66	6.26	N/A	N/A	N/A	3.79	12/20/2005	N/A	0.20	
1565	Spartan® Long Term Treasury Bond Index Fund - Adv	0.97	0.97	6.56	N/A	N/A	N/A	3.15	12/20/2005	N/A	0.10	
1562	Spartan® Long Term Treasury Bond Index Fund - Inv	0.95	0.95	6.46	N/A	N/A	N/A	3.05	12/20/2005	N/A	0.20	
1563	Spartan® Short-Term Treasury Bond Index Fund - Adv	1.47	1.47	5.26	N/A	N/A	N/A	4.19	12/20/2005	N/A	0.10	
1560	Spartan® Short-Term Treasury Bond Index Fund - Inv	1.44	1.44	5.15	N/A	N/A	N/A	4.08	12/20/2005	N/A	0.20	
HIGH YIELD†												
38	Fidelity Capital & Income Fund	3.14	3.14	12.63	10.78	13.86	8.37	10.67	11/01/1977	1.00/90	0.77	
814	Fidelity Floating Rate High Income Fund	1.73	1.73	6.43	5.25	4.87	N/A	4.79	08/16/2000	1.00/60	0.71	
1366	Fidelity Focused High Income Fund✱	2.20	2.20	9.12	N/A	N/A	N/A	6.85	09/08/2004	1.00/90	1.08	
455	Fidelity High Income Fund	2.40	2.40	10.33	8.30	10.66	5.79	10.05	08/29/1990	1.00/90	0.77	
INFLATION-PROTECTEDΩ												
794	Fidelity Inflation-Protected Bond Fund	2.24	2.24	4.76	2.61	N/A	N/A	5.96	06/26/2002	N/A	0.45	
INTERNATIONAL/GLOBAL❖												
331	Fidelity New Markets Income Fund	2.12	2.12	10.44	11.45	14.46	12.16	13.29	05/04/1993	1.00/90	0.91	
BALANCED/HYBRID FUNDS												
304	Fidelity Balanced Fund†	3.09	3.09	10.16	11.00	10.12	11.04	10.73	11/06/1986	N/A	0.64	
4	Fidelity Puritan® Fund†	1.25	1.25	12.43	9.19	7.91	8.72	11.72	04/16/1947	N/A	0.62	
1329	Fidelity Strategic Dividend & Income® Fund	3.40	3.40	11.25	12.55	N/A	N/A	13.18	12/23/2003	N/A	0.80	
CONVERTIBLES												
308	Fidelity Convertible Securities Fund	4.70	4.70	12.80	11.07	9.39	12.63	12.91	01/05/1987	N/A	0.83	
INTERNATIONAL/GLOBAL❖												
334	Fidelity Global Balanced Fund	3.10	3.10	11.81	11.92	11.74	9.52	9.56	02/01/1993	1.00/30	1.18	
DOMESTIC EQUITY FUNDS												
LARGE VALUE												
23	Fidelity Equity-Income Fund	1.06	1.06	15.08	11.88	8.14	9.26	13.10	05/16/1966	N/A	0.68	
319	Fidelity Equity-Income II Fund	1.40	1.40	10.33	9.68	7.69	9.22	13.44	08/21/1990	N/A	0.67	
708	Fidelity Large Cap Value Fund	2.88	2.88	13.79	14.86	9.89	N/A	10.28	11/15/2001	N/A	0.90	
LARGE BLEND												
1271	Fidelity Blue Chip Value Fund	2.43	2.43	11.93	13.33	N/A	N/A	14.39	06/17/2003	N/A	0.94	
315	Fidelity Disciplined Equity Fund	2.93	2.93	12.73	12.41	8.30	9.39	12.86	12/28/1988	N/A	0.92	
330	Fidelity Dividend Growth Fund	0.25	0.25	9.74	7.49	4.16	9.84	13.35	04/27/1993	N/A	0.6	
333	Fidelity Focused Stock Fund✱	3.28	3.28	5.39	13.26	2.50	6.01	5.50	11/12/1996	N/A	1.08	
355	Fidelity Four-in-One Index Fund✱	1.80	1.80	11.86	10.95	8.53	N/A	4.49	06/29/1999	N/A	0.10/0.21 **	
3	Fidelity Fund	1.90	1.90	10.35	9.96	6.16	8.48	10.44	04/30/1930	N/A	0.59	
27	Fidelity Growth & Income Portfolio	-0.48	-0.48	5.93	7.05	3.75	6.98	12.91	12/30/1985	N/A	0.69	
361	Fidelity Growth & Income II Portfolio	1.34	1.34	9.19	8.98	5.85	N/A	2.89	12/28/1998	N/A	0.86	
320	Fidelity Stock Selector	1.47	1.47	9.08	10.62	6.81	7.36	12.57	09/28/1990	N/A	0.88	
5	Fidelity Trend Fund	-0.03	-0.03	7.99	9.76	6.45	6.63	12.14	06/16/1958	N/A	0.81	
1519	Spartan® 500 Index Fund - Adv✱	0.63	0.63	11.78	9.99	6.17	8.07	10.91	03/06/1990	N/A	0.07	
317	Spartan® 500 Index Fund - Inv✱	0.62	0.62	11.74	9.97	6.16	8.07	10.90	03/06/1990	N/A	0.1	
1520	Spartan® Total Market Index Fund - Adv	1.39	1.39	11.31	10.95	7.55	N/A	6.57	11/05/1997	0.50/90	0.07	

		Cumulative Total Returns %		Average Annual Total Returns %							
		Periods Ending March 31, 2007		Periods Ending March 31, 2007							
Fund No.	Name	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF	Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio
LARGE BLEND cont.											
397	Spartan® Total Market Index Fund - Inv	1.39	1.39	11.27	10.94	7.54	N/A	6.57	11/05/1997	0.50/90	0.10
1523	Spartan® U.S. Equity Index Fund - Adv	0.64	0.64	11.78	9.99	6.17	8.06	11.56	02/17/1988	N/A	0.07
650	Spartan® U.S. Equity Index Fund - Inv	0.62	0.62	11.75	9.97	6.16	8.05	11.56	02/17/1988	N/A	0.10
782	U.S. Equity Index Commingled Pool	0.62	0.62	11.77	10.00	6.19	8.17	10.48	12/31/1991	N/A	0.10
LARGE GROWTH											
312	Fidelity Blue Chip Growth Fund	-0.61	-0.61	2.50	4.72	1.82	5.55	11.78	12/31/1987	N/A	0.63
307	Fidelity Capital Appreciation Fund	2.29	2.29	6.95	9.56	10.05	10.43	12.35	11/26/1986	N/A	0.91
22	Fidelity Contrafund®	1.41	1.41	7.98	13.40	11.20	11.34	13.27	05/17/1967	N/A	0.90
332	Fidelity Export and Multinational Fund	2.48	2.48	7.63	12.64	9.51	14.02	16.12	10/04/1994	0.75/30	0.83
500	Fidelity Fifty®	4.71	4.71	8.84	11.00	8.51	11.51	12.45	09/17/1993	N/A	0.79
25	Fidelity Growth Company Fund	-0.27	-0.27	2.25	10.50	7.01	9.83	14.06	01/17/1983	N/A	0.97
339	Fidelity Growth Discovery Fund	0.31	0.31	6.63	9.07	5.47	N/A	6.16	03/31/1998	N/A	0.68
73	Fidelity Independence Fund	2.05	2.05	6.18	11.53	6.96	10.16	13.11	03/25/1983	N/A	0.87
763	Fidelity Large Cap Growth Fund	0.09	0.09	1.11	10.22	4.78	N/A	3.87	11/15/2001	N/A	1.10
338	Fidelity Large Cap Stock Fund	1.43	1.43	9.06	9.00	4.66	7.19	8.61	06/22/1995	N/A	0.78
21	Fidelity Magellan® Fund	2.01	2.01	3.21	7.25	3.91	7.26	18.35	05/02/1963	N/A	0.59
1282	Fidelity Nasdaq Composite® Index Fund	0.46	0.46	4.17	7.18	N/A	N/A	8.85	09/25/2003	0.75/90	0.58
93	Fidelity OTC Portfolio	1.60	1.60	5.05	8.81	6.62	8.24	13.92	12/31/1984	N/A	0.80
MID VALUE											
762	Fidelity Mid Cap Value Fund	6.74	6.74	15.88	17.13	13.11	N/A	14.52	11/15/2001	0.75/30	0.84
39	Fidelity Value Fund	4.78	4.78	13.11	16.75	13.38	12.30	14.50	12/01/1978	N/A	0.67
MID BLEND											
122	Fidelity Leveraged Company Stock Fund	7.15	7.15	14.85	20.42	29.36	N/A	23.11	12/19/2000	1.50/90	0.86
316	Fidelity Low-Priced Stock Fund	2.60	2.60	11.23	14.87	14.67	15.59	17.38	12/27/1989	1.50/90	0.88
832	Fidelity Value Discovery Fund	3.26	3.26	11.40	16.09	N/A	N/A	18.51	12/10/2002	N/A	0.94
14	Fidelity Value Strategies Fund	7.35	7.35	16.14	11.03	11.41	13.47	14.11	12/31/1983	N/A	0.93
1521	Spartan® Extended Market Index Fund - Adv	4.02	4.02	9.55	13.77	12.34	N/A	7.95	11/05/1997	0.75/90	0.07
398	Spartan® Extended Market Index Fund - Inv	4.02	4.02	9.52	13.76	12.34	N/A	7.95	11/05/1997	0.75/90	0.10
MID GROWTH											
324	Fidelity Aggressive Growth Fund	2.48	2.48	4.97	8.26	3.48	3.92	10.10	12/28/1990	1.50/90	0.77
793	Fidelity Mid Cap Growth Fund	1.72	1.72	-0.77	11.81	7.85	N/A	7.78	11/15/2001	0.75/30	1.02
337	Fidelity Mid-Cap Stock Fund	6.59	6.59	7.89	14.50	8.56	13.98	14.82	03/29/1994	0.75/30	0.72
300	Fidelity New Millennium Fund	2.43	2.43	4.06	9.80	7.97	14.46	16.57	12/28/1992	N/A	0.93
SMALL BLEND											
384	Fidelity Small Cap Retirement Fund	2.62	2.62	2.76	10.50	7.94	N/A	11.24	09/26/2000	1.50/90	1.06
340	Fidelity Small Cap Stock Fund	4.16	4.16	2.58	11.38	11.01	N/A	11.53	03/12/1998	2.00/90	0.98
1389	Fidelity Small Cap Value Fund	3.14	3.14	5.40	N/A	N/A	N/A	20.51	11/03/2004	1.50/90	1.09
SMALL GROWTH											
1388	Fidelity Small Cap Growth Fund	5.81	5.81	5.73	N/A	N/A	N/A	20.37	11/03/2004	1.50/90	1.13
336	Fidelity Small Cap Independence Fund	4.89	4.89	8.58	13.64	9.89	10.01	10.07	06/28/1993	1.50/90	0.86
INTERNATIONAL/GLOBAL FUNDS											
335	Fidelity Aggressive International Fund	4.90	4.90	15.01	13.17	12.05	8.52	8.78	11/01/1994	1.00/30	0.87
309	Fidelity Canada Fund	4.21	4.21	12.37	22.01	21.37	13.76	12.38	11/17/1987	1.50/90	1.00
352	Fidelity China Region Fund	-0.82	-0.82	19.17	16.71	14.59	8.20	9.94	11/01/1995	1.50/90	1.14
325	Fidelity Diversified International Fund	3.09	3.09	15.18	18.41	17.41	13.22	12.48	12/27/1991	1.00/30	1.01
341	Fidelity Europe Capital Appreciation Fund	4.47	4.47	21.77	22.38	16.24	12.51	13.39	12/21/1993	1.00/30	1.09
301	Fidelity Europe Fund	2.41	2.41	15.49	22.78	15.72	10.74	11.76	10/01/1986	1.00/30	1.16
305	Fidelity International Discovery Fund	3.16	3.16	16.76	19.84	17.41	11.58	10.28	12/31/1986	1.00/30	1.09
818	Fidelity International Small Cap Fund	5.98	5.98	6.82	22.03	N/A	N/A	34.74	09/18/2002	2.00/90	1.28
1504	Fidelity International Small Cap Opportunities Fund	7.03	7.03	16.23	N/A	N/A	N/A	37.20	08/02/2005	2.00/90	1.28
1597	Fidelity International Value Fund	3.77	3.77	N/A	N/A	N/A	N/A	N/A	05/18/2006	1.00/30	1.50

		Cumulative Total Returns %		Average Annual Total Returns %							
		Periods Ending March 31, 2007		Periods Ending March 31, 2007							
Fund No.	Name	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF	Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio
INTERNATIONAL/GLOBAL cont.											
350	Fidelity Japan Fund	4.28	4.28	-3.96	11.41	14.28	8.33	6.57	09/15/1992	1.50/90	1.08
360	Fidelity Japan Smaller Companies Fund◆	-1.71	-1.71	-20.28	4.27	15.99	11.96	6.79	11/01/1995	1.50/90	1.02
349	Fidelity Latin America Fund	2.91	2.91	26.15	44.16	31.36	13.93	13.30	04/19/1993	1.50/90	1.05
342	Fidelity Nordic Fund	4.93	4.93	23.98	27.45	20.03	13.96	16.03	11/01/1995	1.50/90	1.14
94	Fidelity Overseas Fund	3.55	3.55	16.06	16.88	13.96	8.29	13.46	12/04/1984	1.00/30	1.00
302	Fidelity Pacific Basin Fund	4.50	4.50	11.80	18.42	16.89	10.16	7.66	10/01/1986	1.50/90	1.14
351	Fidelity Southeast Asia Fund	4.15	4.15	29.34	26.32	20.62	8.63	9.28	04/19/1993	1.50/90	1.21
318	Fidelity Worldwide Fund	3.48	3.48	14.99	14.44	11.21	8.68	9.05	05/30/1990	1.00/30	1.08
1522	Spartan® International Index Fund - Adv ✕	4.15	4.15	20.37	19.71	15.55	N/A	8.53	11/05/1997	1.00/90	0.17
399	Spartan® International Index Fund - Inv ✕	4.15	4.15	20.37	19.70	15.55	N/A	8.53	11/05/1997	1.00/90	0.20
EMERGING MARKETS											
322	Fidelity Emerging Markets Fund	3.65	3.65	20.82	30.65	24.83	4.58	6.88	11/01/1990	1.50/90	1.11
SPECIALTY FUNDS■											
1368	Fidelity International Real Estate Fund	4.65	4.65	30.83	N/A	N/A	N/A	32.08	09/08/2004	1.50/90	1.12
833	Fidelity Real Estate Income Fund	1.68	1.68	10.71	8.35	N/A	N/A	11.50	02/04/2003	0.75/90	0.85
303	Fidelity Real Estate Investment Portfolio	3.77	3.77	21.32	23.73	22.82	15.34	13.34	11/17/1986	0.75/90	0.83
34	Fidelity Select Air Transportation Portfolio	3.44	3.44	11.17	21.24	9.53	15.05	11.86	12/16/1985	0.75/30	1.13
502	Fidelity Select Automotive Portfolio✕	3.86	3.86	12.06	7.08	7.64	7.08	10.03	06/30/1986	0.75/30	1.53
507	Fidelity Select Banking Portfolio	-2.88	-2.88	6.19	5.85	6.77	9.55	13.90	06/30/1986	0.75/30	0.92
42	Fidelity Select Biotechnology Portfolio	-4.51	-4.51	-6.72	3.10	2.82	10.32	12.64	12/16/1985	0.75/30	0.93
68	Fidelity Select Brokerage & Investment Management Portfolio	-0.20	-0.20	8.08	18.48	14.26	18.01	14.43	07/29/1985	0.75/30	0.92
69	Fidelity Select Chemicals Portfolio	6.98	6.98	17.53	18.59	14.21	10.81	14.71	07/29/1985	0.75/30	1.03
518	Fidelity Select Communications Equipment Portfolio@*	2.64	2.64	-9.44	3.87	6.52	8.99	12.29	06/29/1990	0.75/30	1.02
7	Fidelity Select Computers Portfolio	0.35	0.35	5.20	3.10	2.12	7.47	12.47	07/29/1985	0.75/30	1.00
511	Fidelity Select Construction and Housing Portfolio	0.11	0.11	0.45	11.94	13.14	13.60	13.22	09/29/1986	0.75/30	1.01
517	Fidelity Select Consumer Discretionary Portfolio@** ✕	3.89	3.89	12.36	8.70	5.43	8.49	11.03	06/29/1990	0.75/30	1.12
9	Fidelity Select Consumer Staples Portfolio@***	4.73	4.73	19.97	13.46	8.99	9.29	14.51	07/29/1985	0.75/30	1.01
67	Fidelity Select Defense and Aerospace Portfolio	4.60	4.60	11.56	21.76	15.15	14.93	12.65	05/08/1984	0.75/30	0.94
8	Fidelity Select Electronics Portfolio	2.19	2.19	-3.26	1.68	-2.26	8.91	12.10	07/29/1985	0.75/30	0.91
60	Fidelity Select Energy Portfolio	6.42	6.42	8.81	31.72	19.70	15.17	10.81	07/14/1981	0.75/30	0.91
43	Fidelity Select Energy Service Portfolio	7.35	7.35	3.77	30.22	17.47	14.91	11.41	12/16/1985	0.75/30	0.90
516	Fidelity Select Environmental Portfolio✕	-0.06	-0.06	-6.24	9.54	7.77	2.39	3.89	06/29/1989	0.75/30	1.34
66	Fidelity Select Financial Services Portfolio	-1.42	-1.42	9.12	9.36	8.69	11.75	15.98	12/10/1981	0.75/30	0.94
41	Fidelity Select Gold Portfolio	-0.33	-0.33	6.54	17.76	20.44	8.78	8.51	12/16/1985	0.75/30	0.94
63	Fidelity Select Health Care Portfolio	1.40	1.40	4.54	9.79	5.99	10.21	16.84	07/14/1981	0.75/30	0.89
98	Fidelity Select Home Finance Portfolio	-6.19	-6.19	2.90	1.37	6.59	8.82	15.66	12/16/1985	0.75/30	0.94
510	Fidelity Select Industrial Equipment Portfolio	2.62	2.62	6.03	13.05	8.60	9.16	10.70	09/29/1986	0.75/30	1.02
515	Fidelity Select Industrials Portfolio@****	1.37	1.37	3.85	17.23	11.83	11.23	10.81	03/03/1997	0.75/30	1.10
45	Fidelity Select Insurance Portfolio	-1.82	-1.82	9.39	9.79	9.98	14.70	14.16	12/16/1985	0.75/30	1.00
353	Fidelity Select IT Services Portfolio@J ✕	1.98	1.98	8.62	12.37	4.63	N/A	10.54	02/04/1998	0.75/30	1.19
62	Fidelity Select Leisure Portfolio	1.44	1.44	7.13	10.99	9.72	12.53	15.35	05/08/1984	0.75/30	0.96
509	Fidelity Select Materials Portfolio@JJ ✕	9.29	9.29	18.85	19.77	17.77	11.18	10.99	09/29/1986	0.75/30	1.02
505	Fidelity Select Medical Delivery Portfolio	6.69	6.69	4.65	23.14	16.04	11.32	13.10	06/30/1986	0.75/30	0.92
354	Fidelity Select Medical Equipment and Systems Portfolio	4.82	4.82	8.51	9.47	11.69	N/A	15.14	04/28/1998	0.75/30	0.92
503	Fidelity Select Multimedia Portfolio	-0.44	-0.44	11.97	8.97	9.64	12.64	13.76	06/30/1986	0.75/30	1.04
513	Fidelity Select Natural Gas Portfolio	11.03	11.03	10.37	30.55	21.34	16.11	13.42	04/21/1993	0.75/30	0.91
514	Fidelity Select Natural Resources Portfolio	9.01	9.01	14.05	31.01	19.92	14.64	14.20	03/03/1997	0.75/30	0.96
912	Fidelity Select Networking and Infrastructure Portfolio	-0.81	-0.81	-11.87	-0.14	-1.92	N/A	-19.39	09/21/2000	0.75/30	1.11
506	Fidelity Select Paper and Forest Products Portfolio	5.08	5.08	11.46	4.84	4.04	7.17	9.03	06/30/1986	0.75/30	1.27
580	Fidelity Select Pharmaceuticals Portfolio	1.48	1.48	6.69	8.69	4.25	N/A	2.19	06/18/2001	0.75/30	1.07
46	Fidelity Select Retailing Portfolio	6.15	6.15	13.85	13.14	9.66	11.28	13.91	12/16/1985	0.75/30	1.05

		Cumulative Total Returns %		Average Annual Total Returns %								
		Periods Ending March 31, 2007		Periods Ending March 31, 2007								
Fund No.	Name	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF	Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio	
SPECIALTY cont.												
28	Fidelity Select Software and Computer Services Portfolio	1.63	1.63	17.76	9.63	8.39	13.91	16.45	07/29/1985	0.75/30	0.92	
64	Fidelity Select Technology Portfolio	3.15	3.15	5.02	5.23	4.58	9.44	12.98	07/14/1981	0.75/30	0.96	
96	Fidelity Select Telecommunications Portfolio	6.24	6.24	17.87	15.80	11.95	7.79	12.73	07/29/1985	0.75/30	1.01	
512	Fidelity Select Transportation Portfolio	5.01	5.01	2.73	19.06	11.79	13.99	13.98	09/29/1986	0.75/30	1.10	
65	Fidelity Select Utilities Growth Portfolio@	9.89	9.89	31.78	23.97	13.71	10.58	13.38	12/10/1981	0.75/30	0.94	
963	Fidelity Select Wireless Portfolio	2.71	2.71	2.76	16.65	13.80	N/A	-4.03	09/21/2000	0.75/30	0.97	
311	Fidelity Utilities Fund	8.16	8.16	32.17	22.91	12.75	9.34	11.08	11/27/1987	N/A	0.85	
EQUITY BENCHMARKS												
	Dow Jones Industrial Average	-0.33	-0.33	13.83	8.48	5.86	8.60					
	Dow Jones Wilshire 4500 Completion	4.09	4.09	9.55	13.78	12.61	10.52					
	Dow Jones Wilshire 5000 Composite	1.40	1.40	11.33	11.04	7.71	8.73					
	NASDAQ Composite®	0.44	0.44	4.23	7.44	6.23	7.58					
	Russell 1000®	1.21	1.21	11.84	10.73	6.92	8.61					
	Russell 1000® Growth	1.19	1.19	7.06	7.01	3.48	5.51					
	Russell 1000® Value	1.24	1.24	16.83	14.42	10.25	10.85					
	Russell 2000®	1.95	1.95	5.91	12.00	10.95	10.23					
	Russell 2000® Growth	2.48	2.48	1.56	9.41	7.88	6.31					
	Russell 2000® Value	1.46	1.46	10.38	14.47	13.61	13.46					
	Russell 3000®	1.28	1.28	11.28	10.84	7.23	8.69					
	Russell 3000® Growth	1.29	1.29	6.53	7.22	3.81	5.54					
	Russell 3000® Value	1.26	1.26	16.22	14.42	10.51	11.00					
	Russell MidCap™	4.38	4.38	11.79	15.72	12.91	12.71					
	Russell Midcap™ Growth	3.96	3.96	6.90	12.41	9.45	9.44					
	Russell Midcap™ Value	4.86	4.86	17.13	18.58	15.22	14.00					
	S&P 500®	0.64	0.64	11.83	10.06	6.27	8.20					
	S&P MidCap® 400	5.80	5.80	8.44	13.35	10.70	14.29					
BLENDED BENCHMARKS												
	Fidelity Asset Manager 20% Composite	1.42	1.42	7.22	4.72	4.86	6.23					
	Fidelity Asset Manager 50% Composite	1.58	1.58	9.41	6.83	5.83	7.43					
	Fidelity Asset Manager 70% Composite	1.70	1.70	10.83	8.27	6.18	7.89					
	Fidelity Asset Manager 85% Composite	1.83	1.83	11.99	9.36	6.44	8.21					
	Fidelity Balanced Hybrid Composite	1.38	1.38	10.88	8.89	7.69	8.82					
	Fidelity Four-in-One Composite	1.81	1.81	11.99	11.11	8.67	8.67					
	Fidelity Freedom Income Composite	1.45	1.45	7.13	4.99	4.90	6.10					
	Fidelity Freedom 2000 Composite	1.47	1.47	7.63	5.43	5.09	6.91					
	Fidelity Freedom 2005 Composite	1.76	1.76	9.69	7.68	N/A	N/A					
	Fidelity Freedom 2010 Composite	1.77	1.77	9.83	7.87	7.09	8.29					
	Fidelity Freedom 2015 Composite	1.84	1.84	10.52	9.03	N/A	N/A					
	Fidelity Freedom 2020 Composite	1.91	1.91	11.34	10.14	8.34	8.66					
	Fidelity Freedom 2025 Composite	1.93	1.93	11.54	10.57	N/A	N/A					
	Fidelity Freedom 2030 Composite	1.96	1.96	12.20	11.34	8.80	8.53					
	Fidelity Freedom 2035 Composite	1.98	1.98	12.29	11.59	N/A	N/A					
	Fidelity Freedom 2040 Composite	2.01	2.01	12.55	11.93	9.08	N/A					
	Fidelity Freedom 2045 Composite	2.06	2.06	N/A	N/A	N/A	N/A					
	Fidelity Freedom 2050 Composite	2.09	2.09	N/A	N/A	N/A	N/A					
	Fidelity Global Balanced Composite	2.02	2.02	12.65	9.89	10.20	7.39					
INTERNATIONAL/GLOBAL BENCHMARKS												
	MSCI AC World xU.S. (Net MA)	3.78	3.78	19.98	21.20	17.14	8.91					
	MSCI EAFE® (Net MA Tax)	4.10	4.10	20.38	20.11	16.02	8.53					
	MSCI Emerging Markets (N)	2.25	2.25	20.65	27.54	24.45	N/A					
	MSCI Europe (Net MA Tax)	3.89	3.89	25.62	22.47	16.05	10.62					

Fund No.	Name	Cumulative Total Returns % Periods Ending March 31, 2007		Average Annual Total Returns % Periods Ending March 31, 2007					Date of Inception	Short-term Trading Fee (% / days)	Expense Ratio
		3 Month	YTD	1 Year	3 Year	5 Year	10 Year	LOF			
INTERNATIONAL/GLOBAL BENCHMARKS cont.											
	MSCI World® (Net MA Tax)	2.58	2.58	15.85	15.08	10.86	8.10				
FIXED INCOME BENCHMARKS											
	CitiGroup 3-Month Treasury Bill	1.24	1.24	4.98	3.33	2.51	3.67				
	Fidelity Strategic Income Composite	2.08	2.08	9.29	6.48	9.41	7.44				
	LB 1-3 Year Government/Credit Bond	1.44	1.44	5.30	2.52	3.55	5.06				
	LB Aggregate Bond	1.50	1.50	6.59	3.31	5.35	6.46				
	LB GNMA	1.43	1.43	6.23	4.00	4.80	6.24				
FIXED INCOME BENCHMARKS cont.											
	LB Government/Credit Bond	1.47	1.47	6.38	2.90	5.57	6.51				
	LB Int Government/Credit Bond	1.59	1.59	6.14	2.60	4.91	5.99				
	LB U.S. Treasury 1-5 Year	1.51	1.51	5.29	2.11	3.55	5.11				
	LB U.S. Treasury 5-10 Year	1.67	1.67	6.46	2.31	5.48	6.54				
	ML U.S. High Yield Master II	2.72	2.72	11.61	8.57	10.08	6.80				

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of Fund figures are reported as of the inception date to the period indicated. These figures do not include the effect of sales charges, if any, as these charges are waived for contributions made through your company's employee benefit plans. If sales charges were included, returns would have been lower.

Although the information contained in this report has been carefully verified, its accuracy cannot be guaranteed. All numbers are unaudited.

The funds are arranged according to Morningstar categories. Categories for some equity funds may change over time. For details, please consult the fund's prospectus at fidelity.com.

For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percent of the fund's total net assets. Where the investment option is not a mutual fund, the figure displayed in the expense ratio field is intended to reflect similar information. However, it may have been calculated using methodologies that differ from those used for mutual funds. Mutual fund data has been drawn from the most recent prospectus. For non-mutual fund investment options, the information has been provided by the trustee or plan sponsor. When no ratio is shown for these options it is due to the fact that none was available. Nevertheless, there may be fees and expenses associated with the investment option.

**Fidelity Freedom 2000 Fund®, Fidelity Freedom 2005 Fund®, Fidelity Freedom 2010 Fund®, Fidelity Freedom 2015 Fund®, Fidelity Freedom 2020 Fund®, Fidelity Freedom 2025 Fund®, Fidelity Freedom 2030 Fund®, Fidelity Freedom 2035 Fund®, Fidelity Freedom 2040 Fund®, Fidelity Freedom 2045 FundSM, Fidelity Freedom 2050 FundSM, Fidelity Freedom Income Fund®, Fidelity Four-In-One Index Fund: Both Expense Ratio and Combined Total Expense Ratios are displayed for Fidelity fund of funds. The Combined Total Expense Ratio reflects expense reimbursements and reductions and is based on its total operating expense ratio of the fund plus a weighted average of the total operating expense ratios of the underlying Fidelity funds in which it was invested. This ratio may be higher or lower depending on the allocation of the fund's assets among the underlying Fidelity funds and the actual expenses of the underlying Fidelity funds.

Specific Funds

@ Prior to 10/1/06, the fund operated under certain different investment policies, and compared its performance to a different benchmark. The fund's historical performance may not represent its current investment policies.

● On 10/1/06, most Fidelity Select Portfolios began comparing their performance to different benchmarks and adjusted their investments. Please see the prospectus for details.

^ Formerly known as Fidelity Asset Manager: Income®.

** Formerly known as Select Consumer Industries Portfolio.

^^ Formerly known as Fidelity Asset ManagerSM.

*** Formerly known as Select Food & Agriculture Portfolio.

^^^ Formerly known as Fidelity Asset Manager: Growth®.

**** Formerly known as Select Cyclical Industries Portfolio.

^^^^ Formerly known as Fidelity Asset Manager: Aggressive®.

♪ Formerly known as Select Business Services and Outsourcing Portfolio.

* Formerly known as Select Developing Communications Portfolio.

♪♪ Formerly known as Select Industrial Materials Portfolio.

♪♪♪ Formerly known as Fidelity Discovery Fund.

* The fund's investment adviser voluntarily reimbursed a portion of the fund's expenses for the period ending 02/28/2007. Please consult the fund's current prospectus for complete details. Absent reimbursement, the returns for these funds would have been lower.

⊙ Closed to most new plans/accounts. Please consult the prospectuses for more details.

✕ Spartan® 500 Index Fund is not offered to new plans; Spartan® U.S. Equity Index Fund is offered to new plans.

€ U.S. Equity Index Commingled Pool is not a mutual fund, it is a commingled pool managed by Fidelity Management Trust Company. Minimum plan assets apply

▼ Managed Income Portfolio and Managed Income Portfolio II are not mutual funds. They are commingled pools managed by Fidelity Management Trust Company.

Investment Risk

+ The Fidelity Freedom Funds are subject to the volatility of the financial markets in the U.S. and abroad and may be subject to the additional risks associated with investing in high yield, small cap and foreign securities.

□ In general bond prices rise when interest rates fall, and vice versa. The effect is usually more pronounced for larger-term securities.

Δ Investments in mortgage securities are subject to prepayment risk, which can limit the potential for gain during a declining interest rate environment and increase the potential for loss in a rising interest rate environment.

† Lower-quality debt securities involve greater risk of default and/or price changes due to changes in the credit quality of the issuer.

Ω The value of inflation-protected debt securities tends to change less due to changes in inflation than other types of bonds but may decrease with decreases in inflation or, as other debt securities, with increases in interest rates.

◆ Investments in smaller companies may involve greater risks than those of larger, more well-known companies.

❖ Foreign investments, especially those in emerging markets involve greater risks and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations.

■ Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Not all funds may be available for your plan.

For Plan Sponsor Use Only.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

459774

Fidelity Investments Institutional Services Company Inc. 82 Devonshire Street, Boston, MA 02109



**NORTH DAKOTA STATE DEFERRED
COMPENSATION COMPANION PLAN
NORTH DAKOTA PERS**

Service Review for the Year Ended 3/31/2007

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**Fidelity Investments®
Tax-Exempt Services Company**

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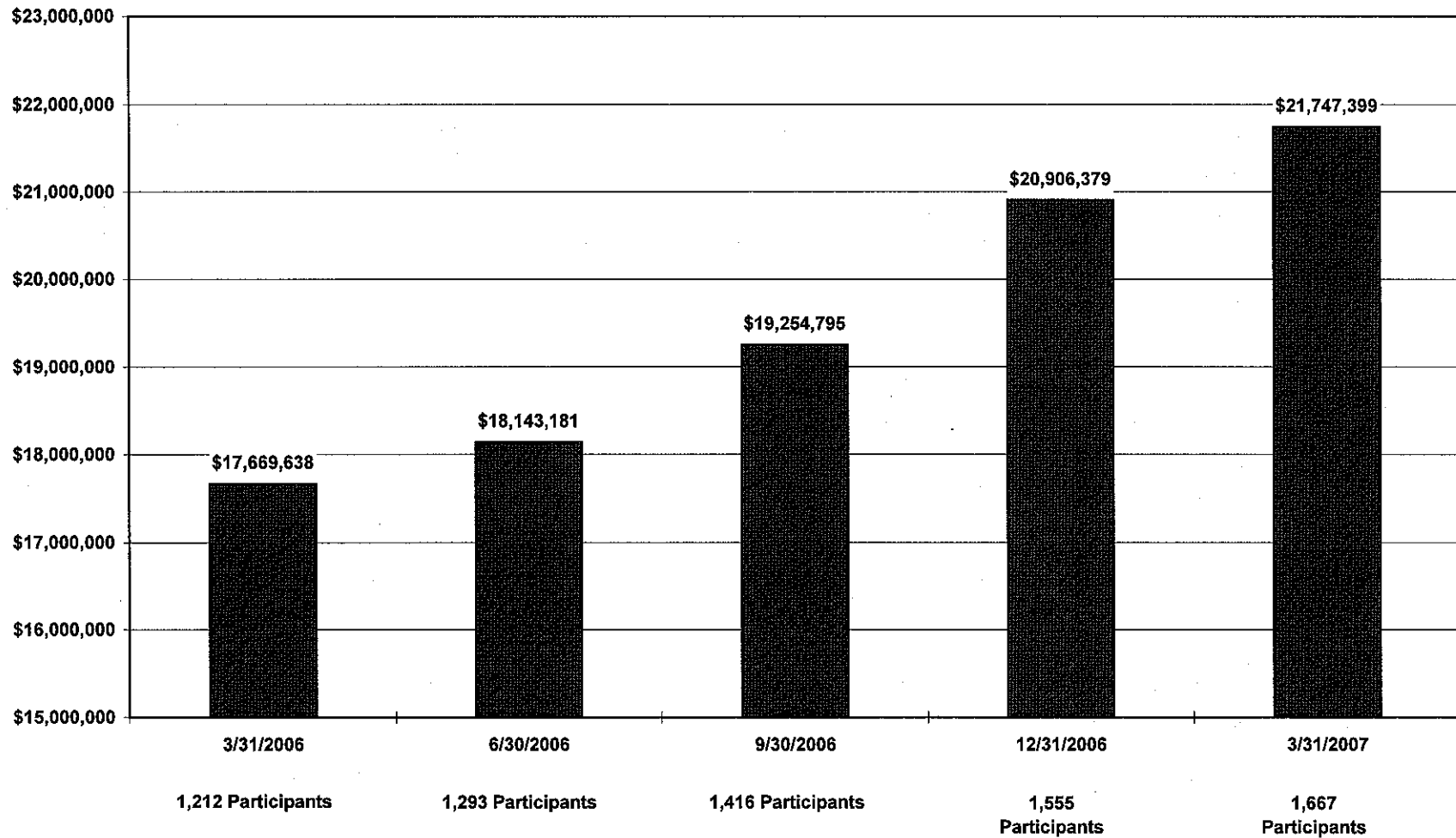
82 Devonshire Street, Boston, MA 02109



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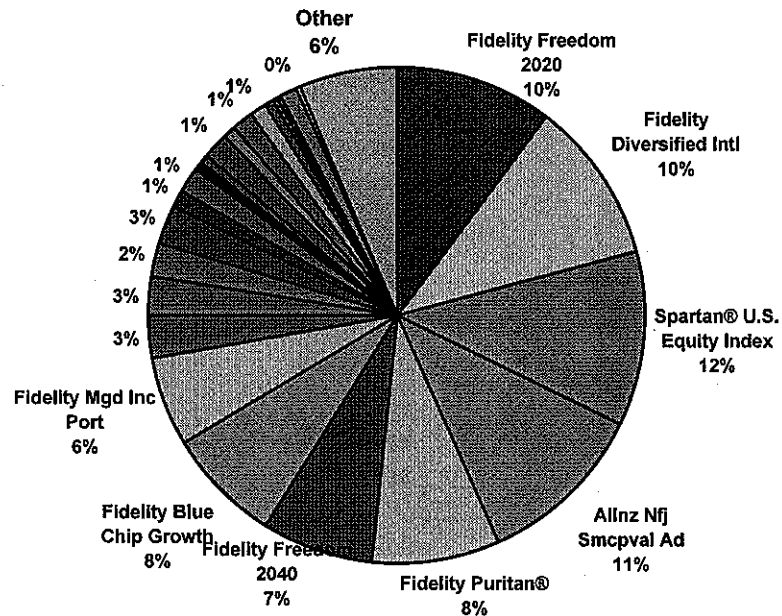
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Plan Assets Under Management at Fidelity



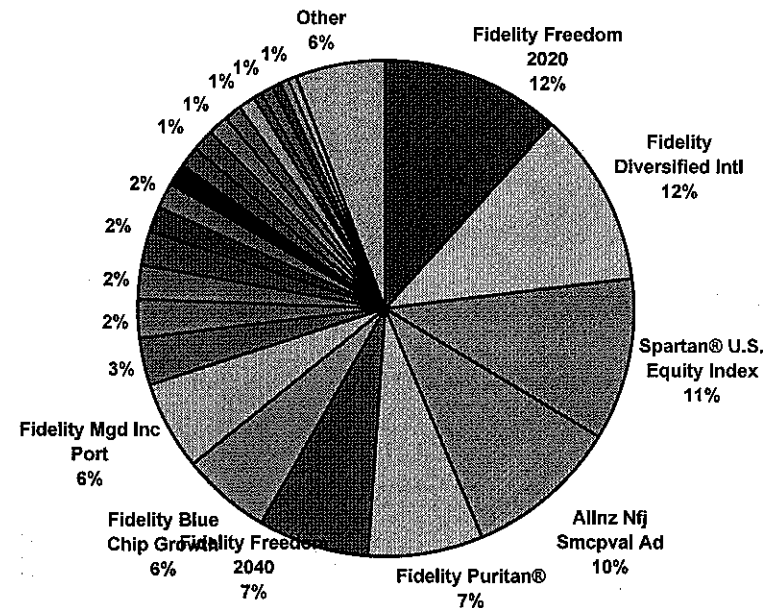
Asset Allocation by Fund

as of 4/1/2006



Total Market Value: \$17,669,638

as of 3/31/2007



Total Market Value: \$21,747,399

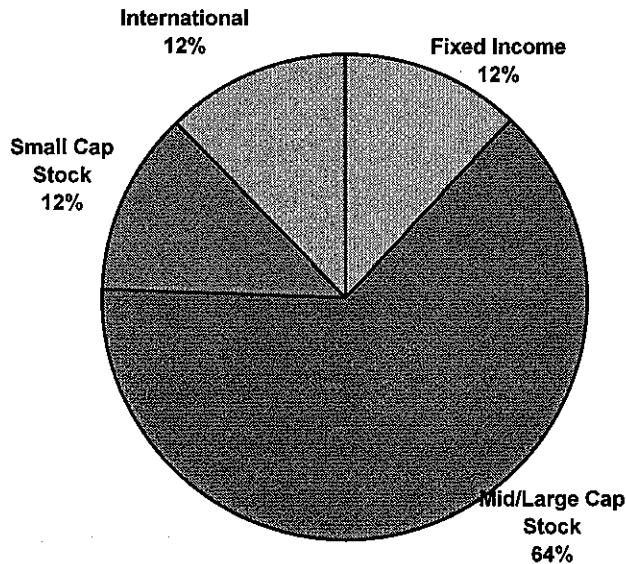
■ Fidelity Freedom 2020	■ Fidelity Diversified Intl	■ Spartan® U.S. Equity Index	■ Allnz Nfj Smcpval Ad
■ Fidelity Puritan®	■ Fidelity Freedom 2040	■ Fidelity Blue Chip Growth	■ Fidelity Mgd Inc Port
■ Fidelity Freedom 2010	■ Mutual Shares CI A	■ Pimco Tot Return Adm	■ Drey Mid Cap Index
■ Fidelity Freedom 2025	■ Fidelity Mid Cap Stock	■ Fidelity Equity Income	■ Fidelity Freedom 2015
■ Fidelity Freedom Income	■ Fidelity Freedom 2030	■ Fidelity Dividend Growth	■ Msi Sm Co Growth B
■ Fidelity Growth Company	■ Spartan® Extended Market Index	■ Fidelity Freedom 2035	■ Fidelity Freedom 2005
■ Drey Sm Cap Stk Idx	■ Other		

The information on this page is updated monthly on PSW.

Comparative Asset Allocation

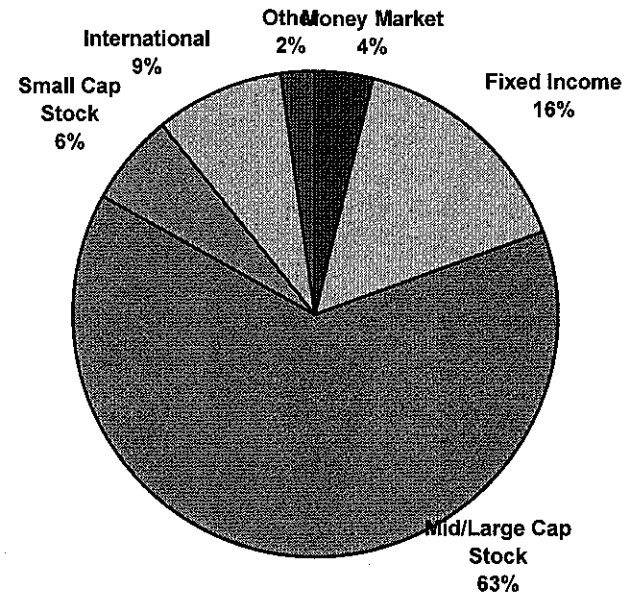
as of 3/31/2007

NORTH DAKOTA STATE DEFERRED COMPENSATION COMPANION PLAN NORTH DAKOTA PERS



Total Market Value: \$21,747,399

AVG. FITSCO PUBLIC SECTOR*



Average Market Value: \$164,134,076

■ Money Market ■ Fixed Income ■ Mid/Large Cap Stock ■ Small Cap Stock ■ International ■ Other

* The values in this chart represent the sum of the balances in each fund class for a representative sample of retirement plans serviced by Fidelity Investments.

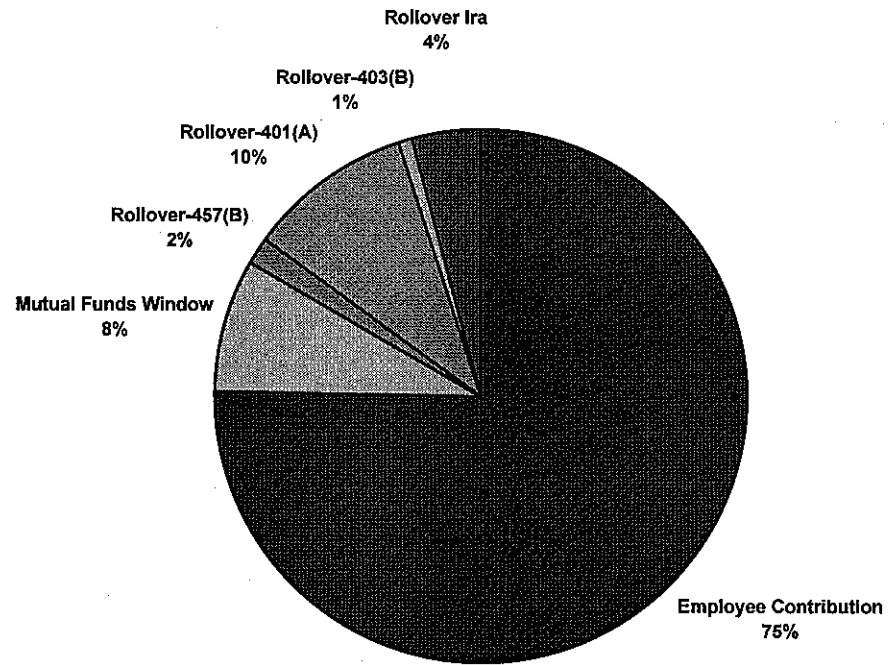
Contributions by Source

4/1/2006 - 3/31/2007

Sources of Contributions	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total
Employee Contribution	\$ 569,422	\$ 562,146	\$ 596,410	\$ 625,964	\$ 2,353,943
Mutual Funds Window	\$ 56,828	\$ 58,558	\$ 61,623	\$ 77,857	\$ 254,866
Rollover-457(B)	\$ 30,558	\$ 19,453	\$ 0	\$ 0	\$ 50,010
Rollover-401(A)	\$ 242,565	\$ 43,364	\$ 25,826	\$ 0	\$ 311,755
Rollover-403(B)	\$ 5,037	\$ 0	\$ 27,264	\$ 0	\$ 32,301
Rollover Ira	\$ 111,955	\$ 0	\$ 0	\$ 14,795	\$ 126,750
Total Contributions	\$ 1,016,365	\$ 683,521	\$ 711,123	\$ 718,616	\$ 3,129,625

Source Contributions

For the period 4/1/2006 - 3/31/2007

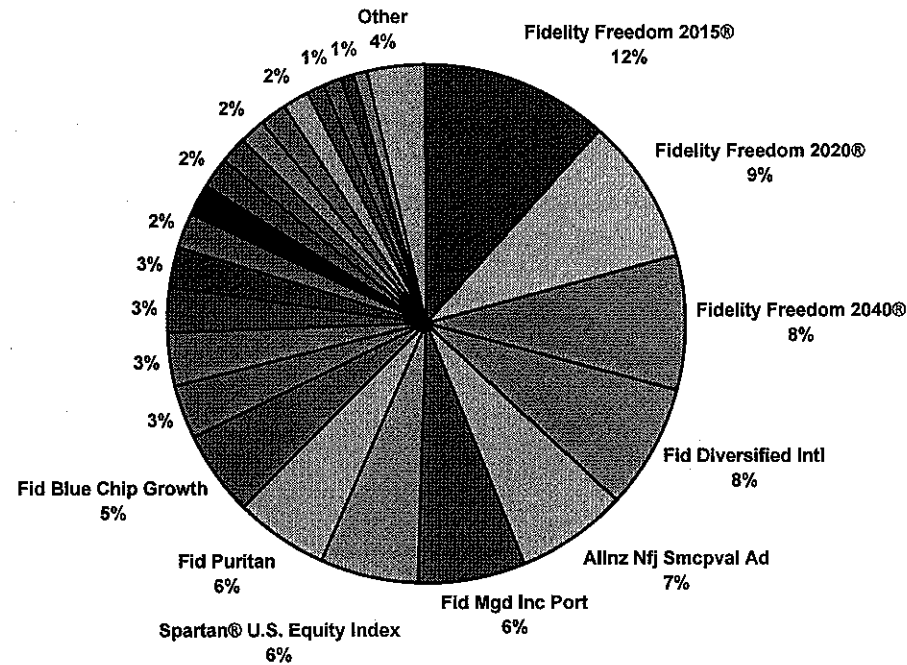


Total Contributions:
\$3,129,625

■ Employee Contribution	■ Mutual Funds Window	■ Rollover-457(B)
■ Rollover-401(A)	■ Rollover-403(B)	■ Rollover Ira

Contribution Allocation

4/1/2006 - 3/31/2007



Total Contributions: \$3,129,625

■ Fidelity Freedom 2015®	■ Fidelity Freedom 2020®	■ Fidelity Freedom 2040®	■ Fid Diversified Intl
■ Allnz Nfj Smcpval Ad	■ Fid Mgd Inc Port	■ Spartan® U.S. Equity Index	■ Fid Puritan
■ Fid Blue Chip Growth	■ Fidelity Freedom 2035®	■ Fidelity Freedom 2030®	■ Fidelity Freedom 2025®
■ Drey Mid Cap Index	■ Fidelity Freedom 2010®	■ Fid Mid Cap Stock	■ Fid Equity Income
■ Pimco Tot Return Adm	■ Mutual Shares CI A	■ Fid Growth Company	■ Drey Sm Cap Stk Idx
■ Msi Sm Co Growth B	■ Fidelity Freedom Income®	■ Fid Dividend Growth	■ Spartan® Extended Market Index
■ Fidelity Freedom 2005®	■ Other		

The information on this page is updated monthly on PSW.

Cash Flow Summary

Cash Inflow:	Year Ending 3/31/2006	Year Ending 3/31/2007
Balance Forward(1)	\$746,263	\$139,778
Contributions	\$2,296,853	\$3,129,625
Total Cash Inflow:	\$3,043,116	\$3,269,403

Cash Outflow:	Year Ending 3/31/2006	Year Ending 3/31/2007
Withdrawals	(\$1,261,708)	(\$1,046,300)
Fees	(\$42,396)	(\$47,207)
Total Cash Outflow:	(\$1,304,104)	(\$1,093,507)

NET CASH FLOW:	\$1,739,012	\$2,175,896
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Definitions of Cash Flow Items:

(1) Balance Forward - Conversion/Outside assets updated to participant accounts
The information on this page is updated monthly on PSW.

Participant Overview

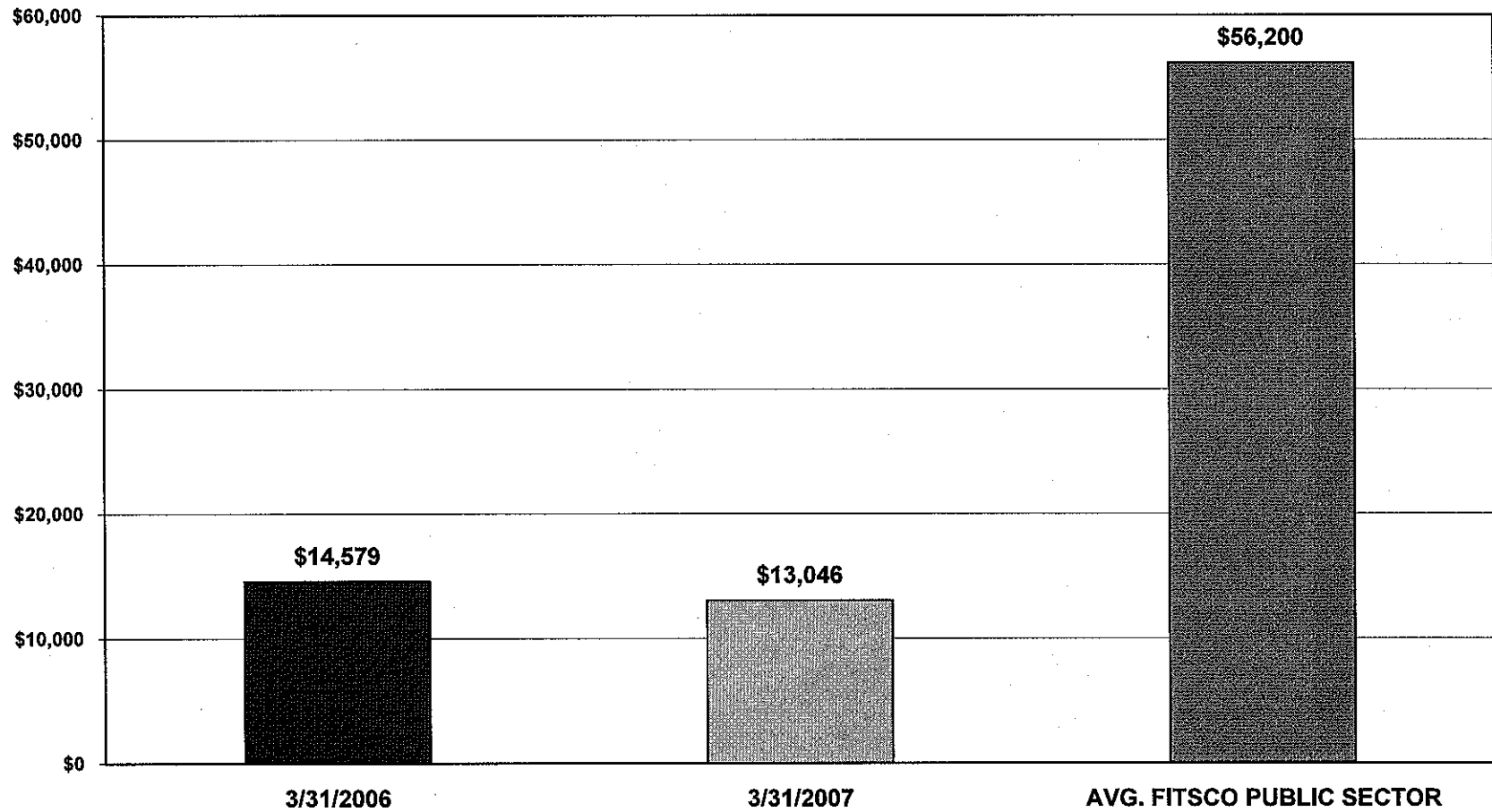
Total #	4/1/2006	3/31/2007
Participants (1)	1212	1667
Inactive Participants (2)	0	0
Suspended w/Balances (3)	0	0
Terminated w/ Balances (4)		
< \$5,000	58	97
> \$5,000	72	87
Active Participants (5)	1081	1481

Definitions of Participant Totals

- (1) Participants: Number of Participants with Account Balances.
- (2) Inactive Participants: Number of Participants with Status Codes of 'I' or 'Q' with Balances (Example: Participants who have revoked their contribution deferral percent; however, are still employees).
- (3) Suspended w/Balances: Number of Participants with Status Code of 'S' with Balances (Example: Participants who have taken financial hardship withdrawals and are suspended for a period of time per the plan document).
- (4) Terminated w / Balances: Number of Participants with Status Codes of 'T', 'R', or 'D' with Balances.
- (5) Active Participants: Number of Participants with a Status Code of 'A' with Balances.

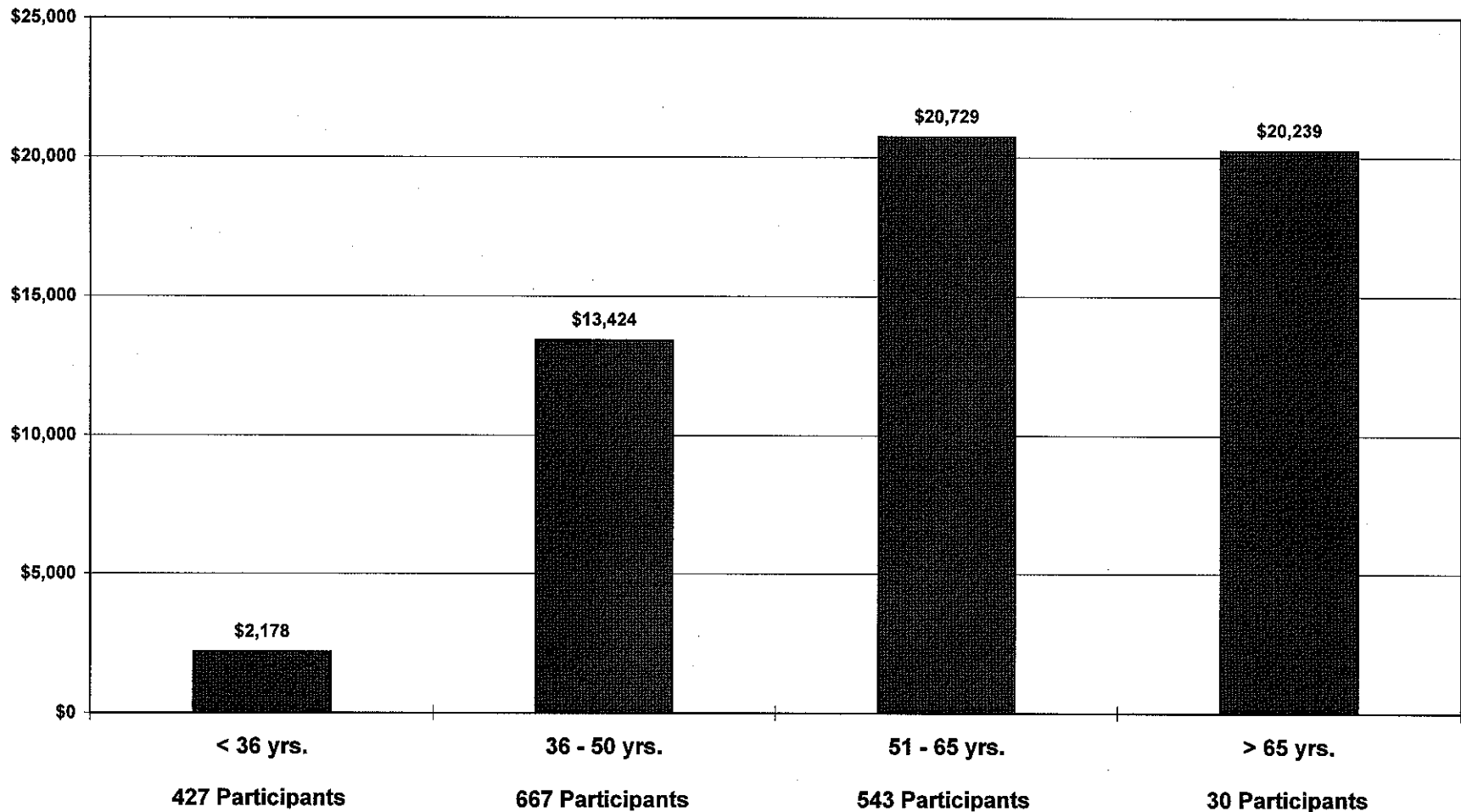
This data is not intended for IRS Form 5500 filing purposes.

Average Participant Balance



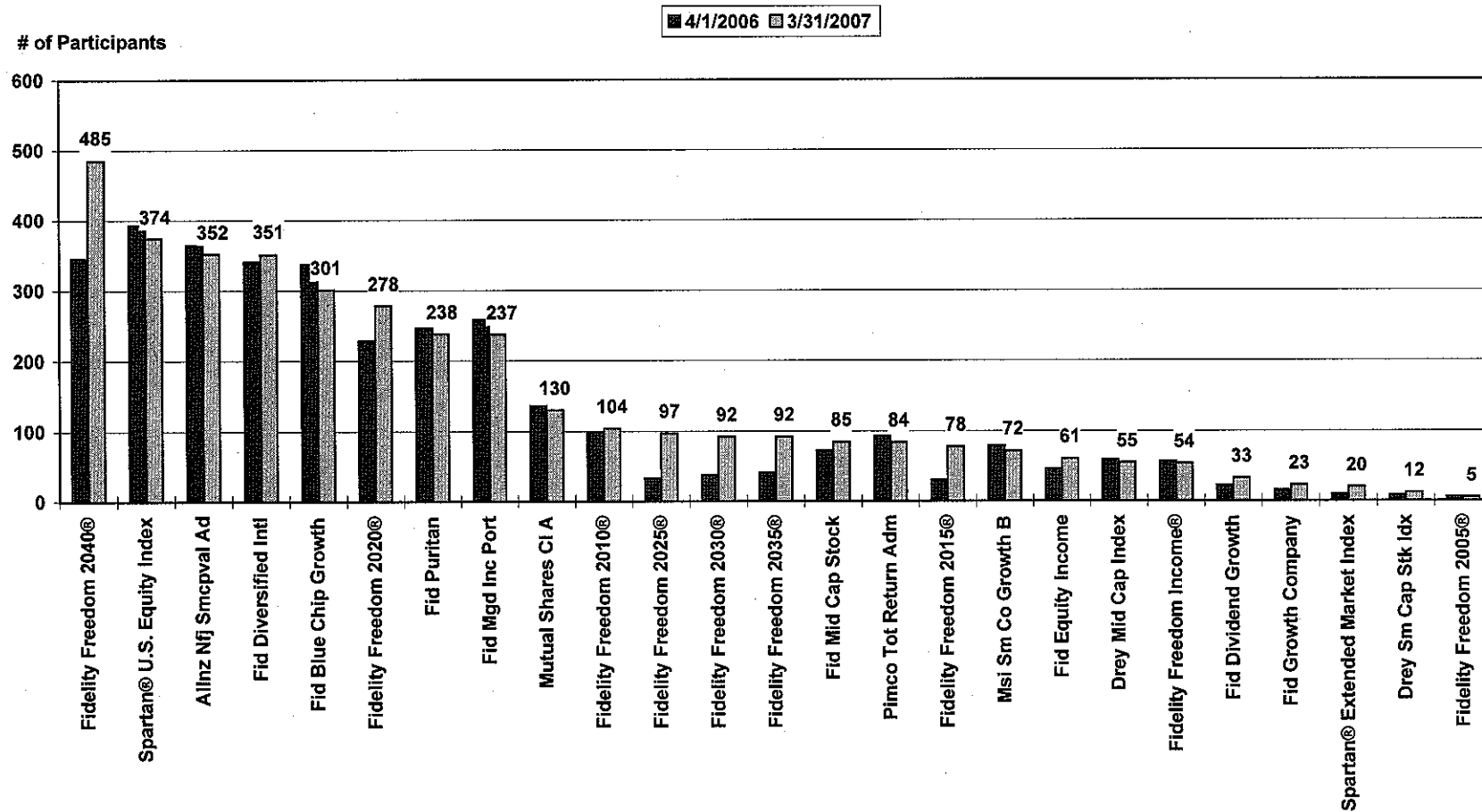
Average Balance by Age

as of 3/31/2007

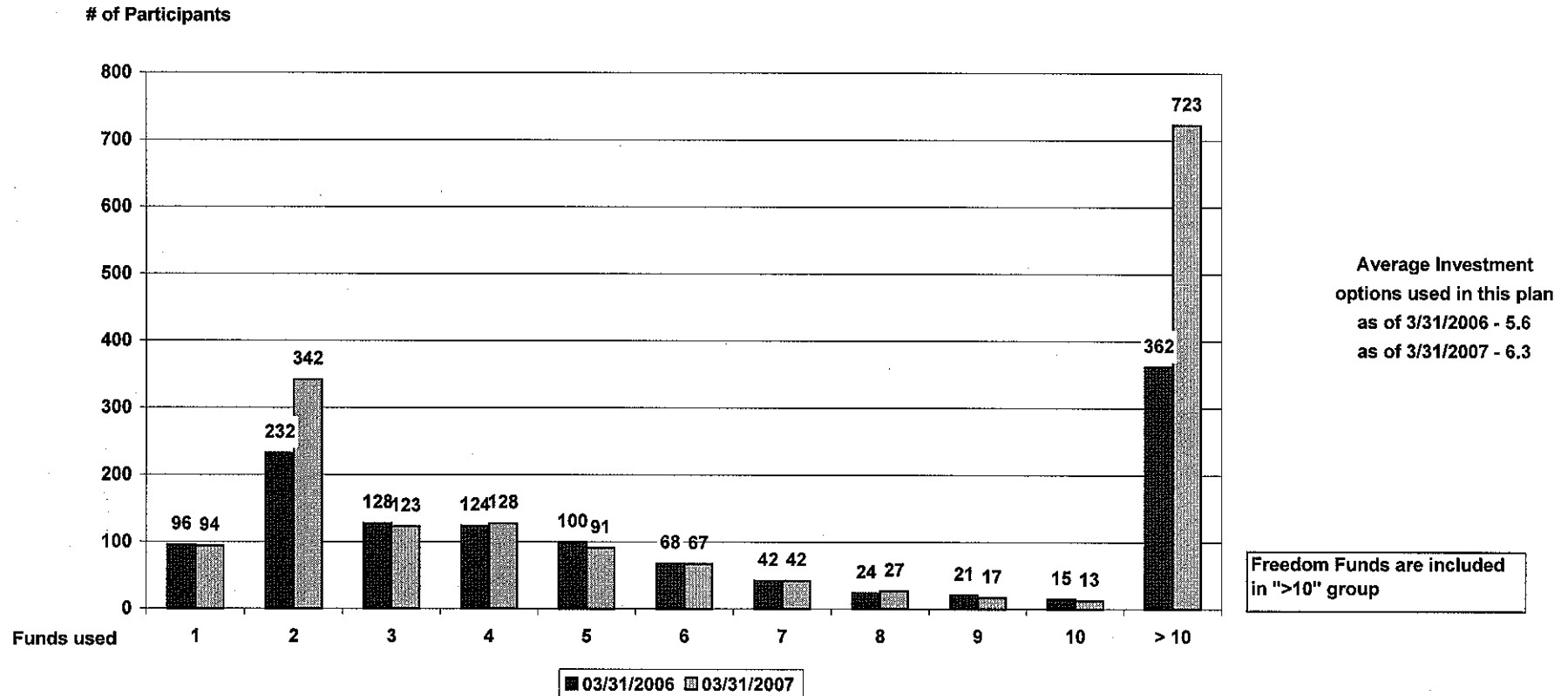


NOTE: The 'No birth date on record' category includes participants with unknown birth dates and any plan level accounts, such as the forfeiture account.

Participants with a Balance by Fund

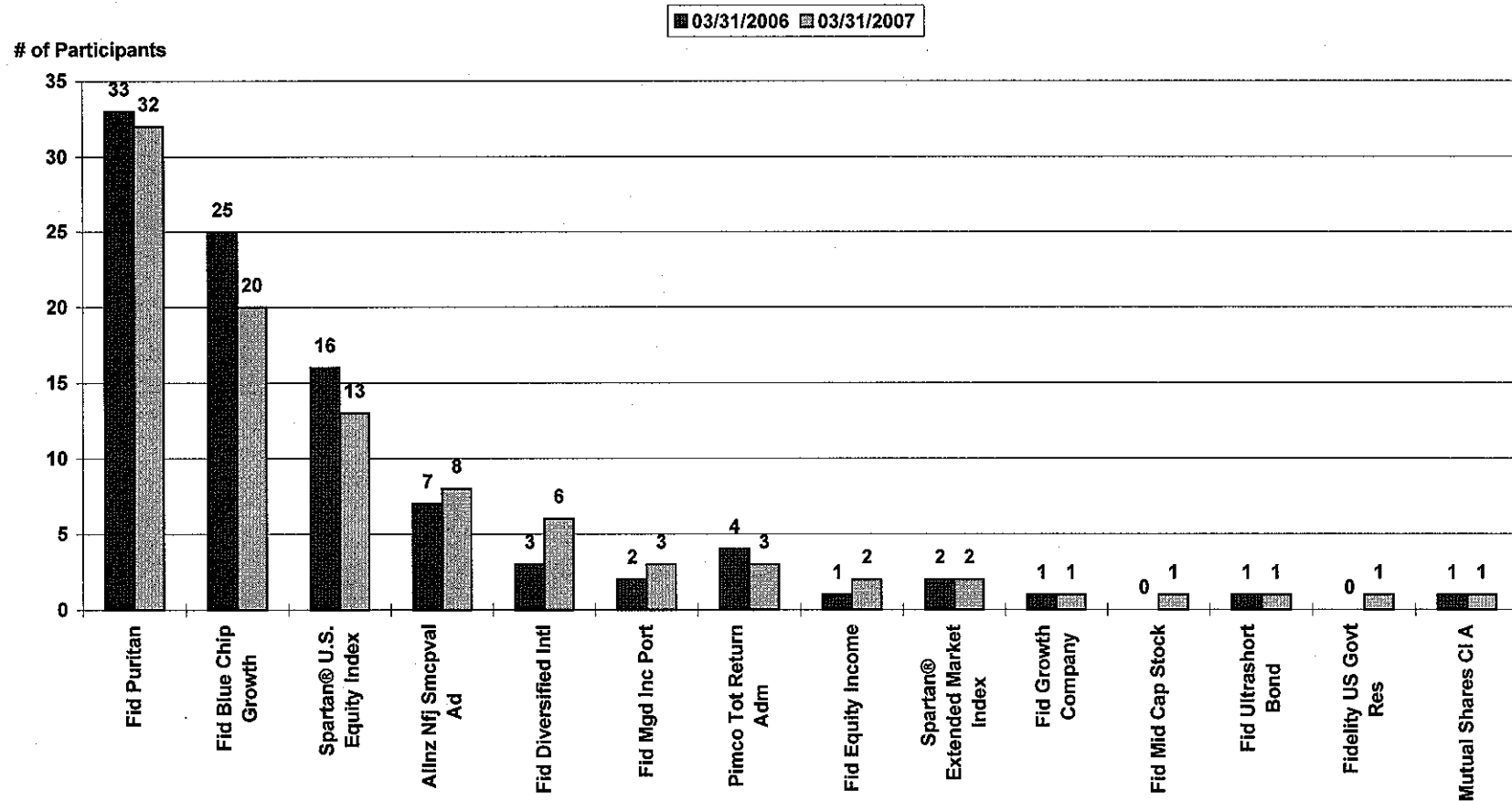


Number of Funds per Participant



- AVG. FITSCO PUBLIC SECTOR offered 57.6 funds as of 3/31/2006 and 62.1 funds as of 3/31/2007
- An AVG. FITSCO PUBLIC SECTOR participant used 3.1 funds as of 3/31/2006 and 3.1 funds as of 3/31/2007

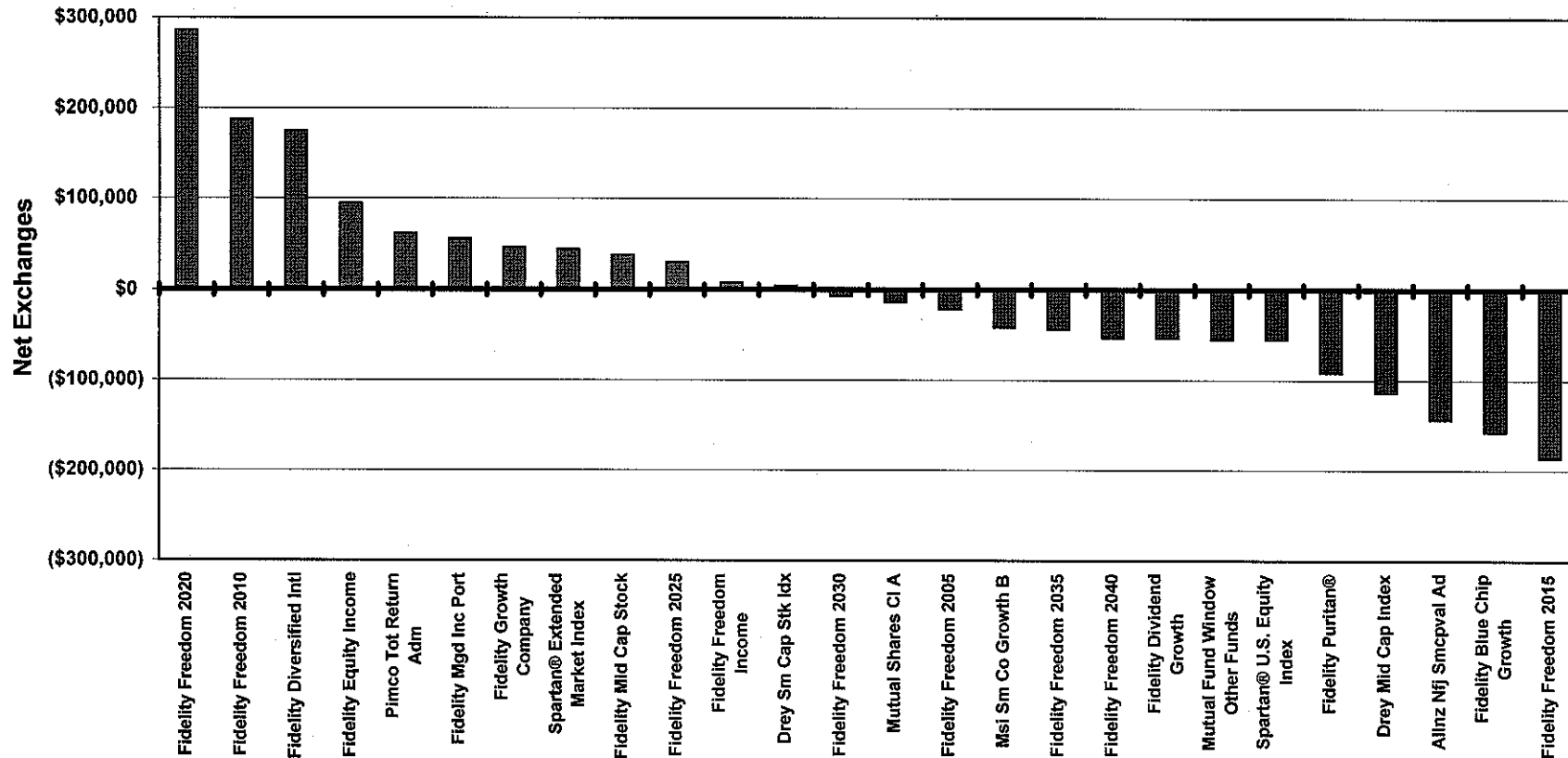
Single Fund Balances



The values in this chart represent the number of participants whose balances are invested 100% in the indicated fund.

Net Exchange Activity*

4/1/2006 - 3/31/2007



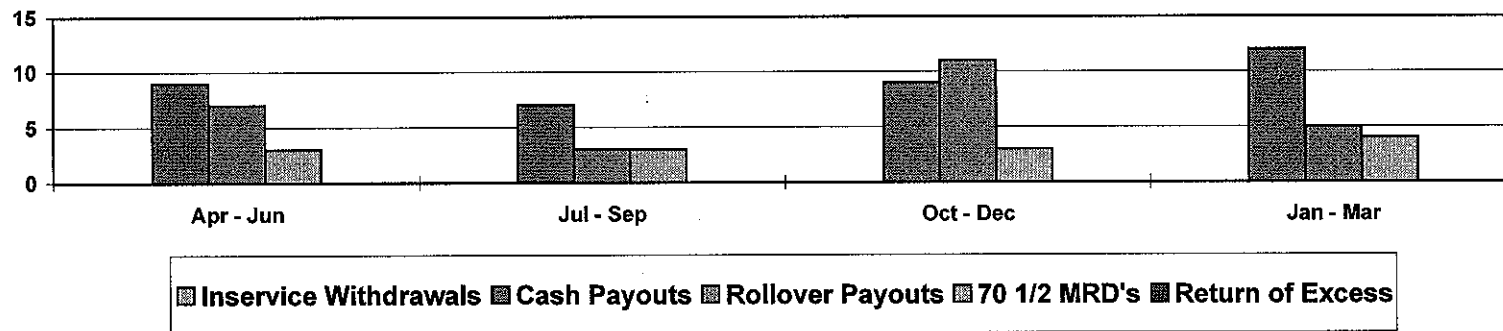
* The Columns of the chart represent the net value of Exchanges into and out of the fund during the period. This chart does not reflect Contributions, Dividends, Withdrawals, or any other transactions that affect the fund balance.

Distribution Activity

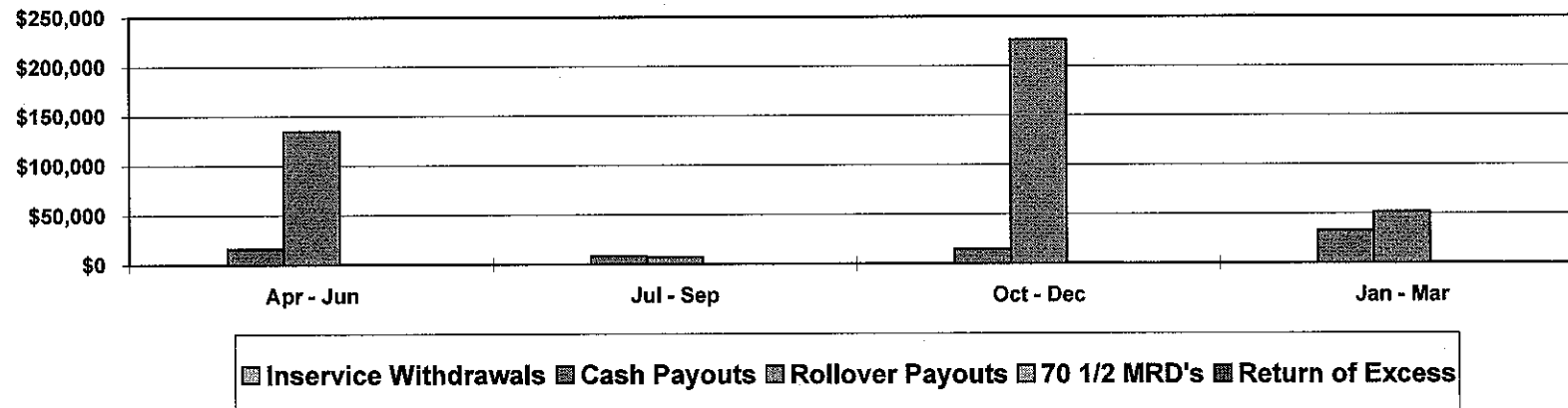
4/1/2006 - 3/31/2007

Volumes

of Distributions

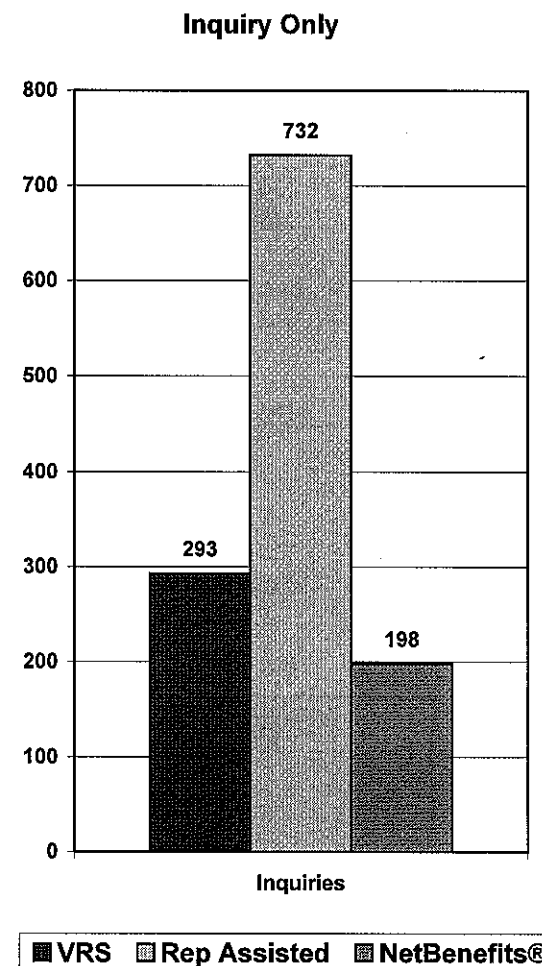
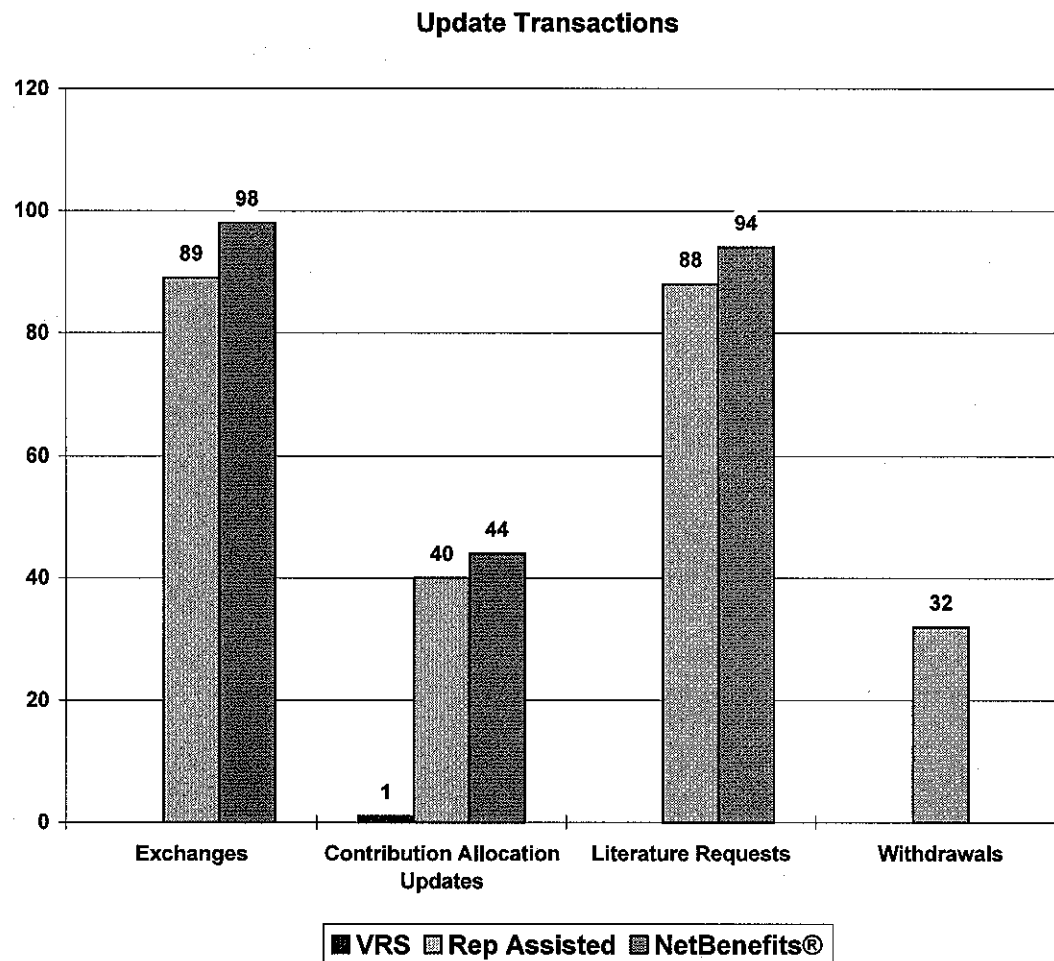


Dollars



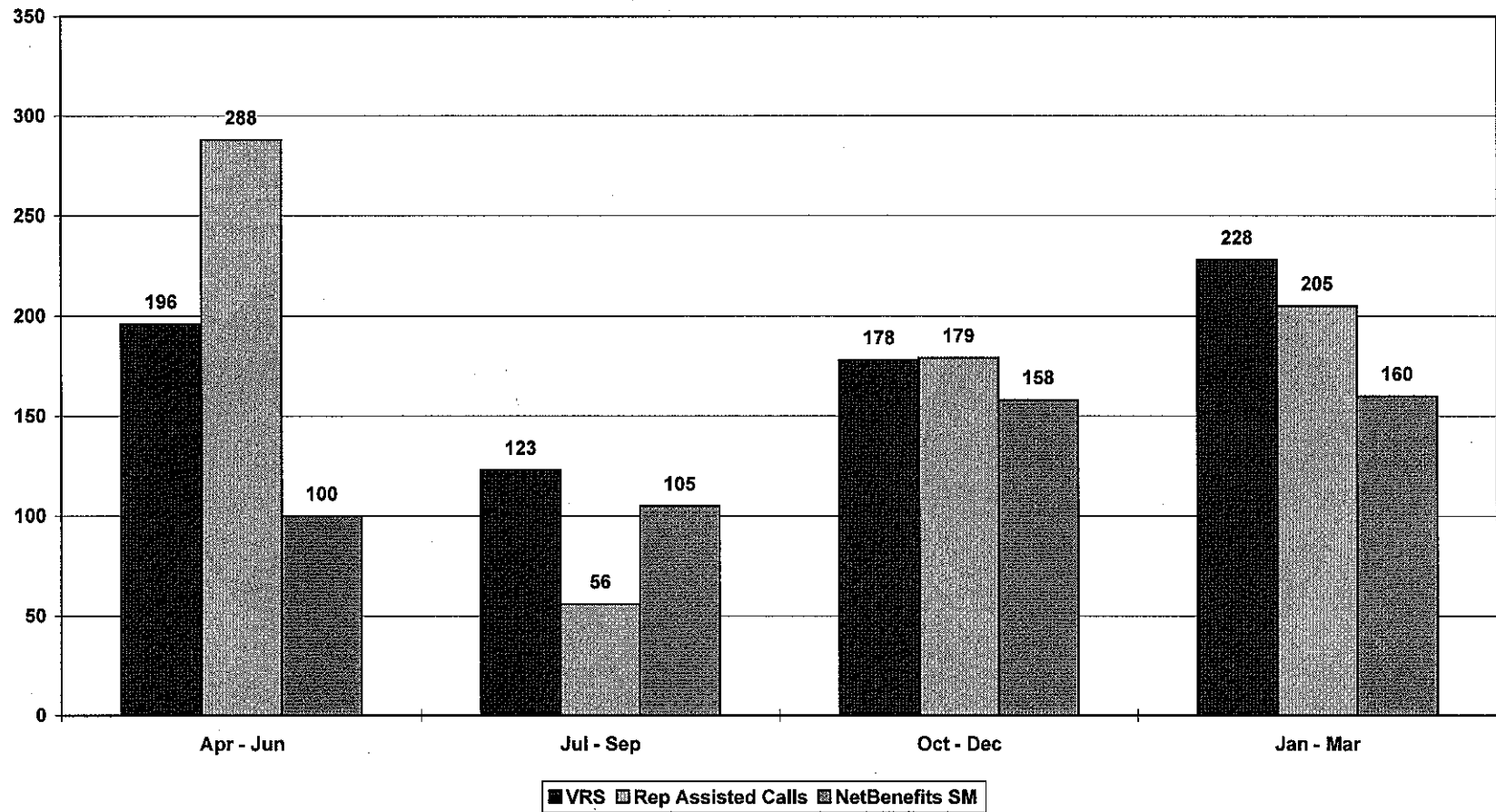
Participant Account Activity by Type

4/1/2006 - 3/31/2007



Participant Access Volumes

4/1/2006 - 3/31/2007

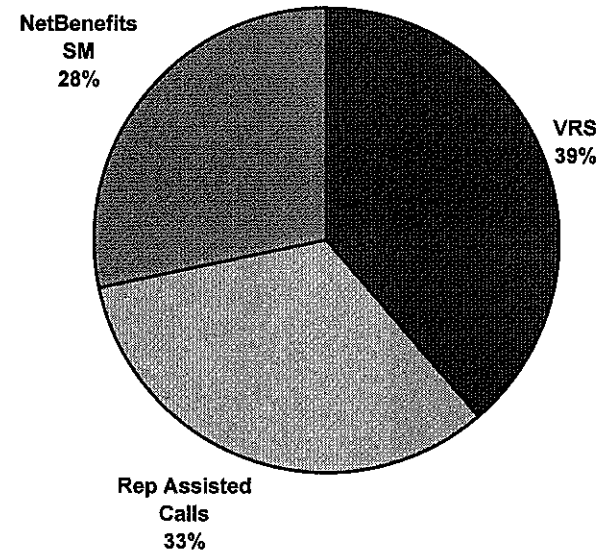
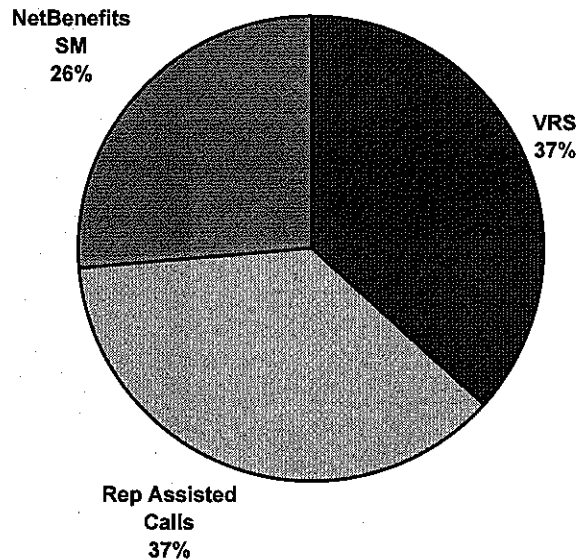


Account Access Comparison

4/1/2006 - 3/31/2007

**NORTH DAKOTA STATE DEFERRED
COMPENSATION COMPANION PLAN
NORTH DAKOTA PERS**

AVG. FITSCO PUBLIC SECTOR



Investment Options

More Conservative Potentially less investment risk and more inflation risk				More Aggressive Potentially more investment risk and less inflation risk			
Money Market	Stable Value	Fixed Income	Balanced	Domestic Equity	International	Specialty	Company Stock
	Fidelity Mgd Inc Port	Align to Retire Ann	Fidelity Puritan	Fidelity Growth Co Fidelity Equity Income Stonard E&M Mid-Cap Stonard E&S Equity Index F&S Small Cap Growth Fidelity Low Pk Risk Fidelity Divident Growth Fidelity Mid-Cap Stock Align Mgt Sm Cap Vt Dreyfus Mid-Cap Index Dreyfus Sm Cap Index F&S Divd Chng Growth Mutual Shares	Fidelity Diversified Intl		

Other Investment Options:

Fidelity Freedom Inc® Fidelity Freedom 2000® Fidelity Freedom 2005® Fidelity Freedom 2010® Fidelity Freedom 2015® Fidelity Freedom 2020®
 Fidelity Freedom 2025® Fidelity Freedom 2030® Fidelity Freedom 2035® Fidelity Freedom 2040® Fidelity Freedom 2045® Fidelity Freedom 2050®

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based the options' Morningstar categories (Large Value, Mid-Cap Value, Small Value, Large Blend, Mid-Cap Blend, Small Blend, Large Growth, Mid-Cap Growth, Small Growth) as of 12/31/01. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. For more information on the investment options in the Domestic Equity category, visit www.Morningstar.com. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions.

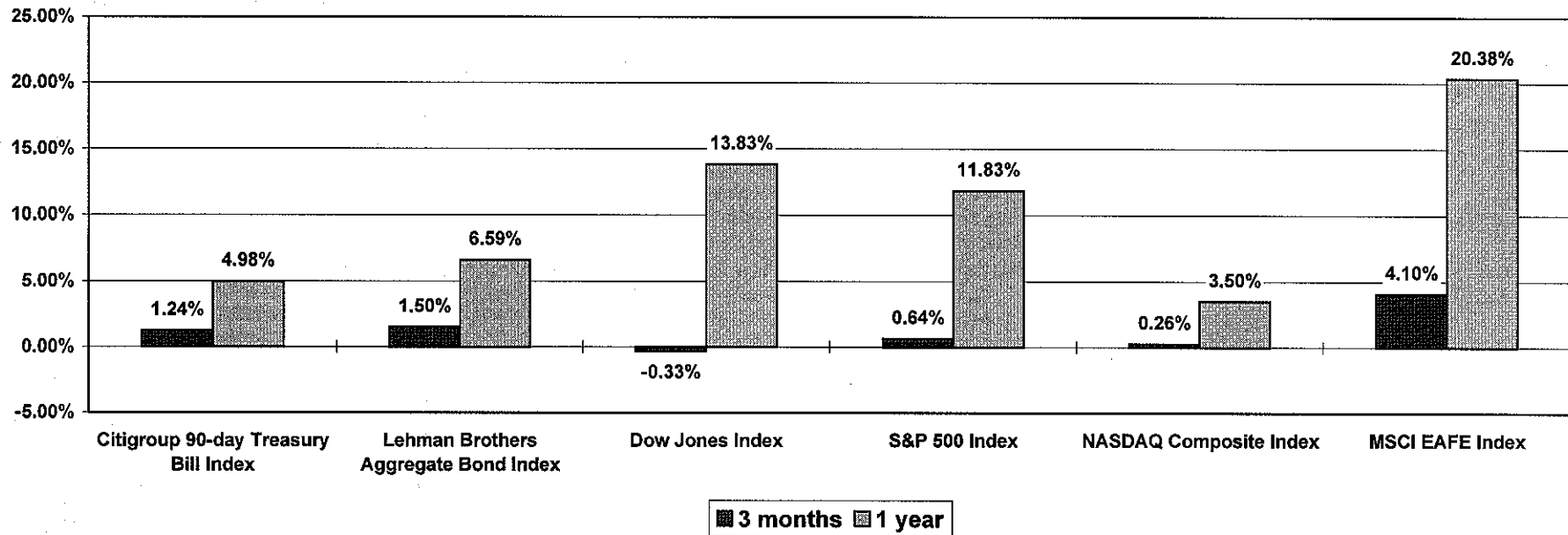
If your plan offers Asset Manager funds please note, the portfolio manager of each of the Asset Manager funds has the flexibility to periodically shift investments between the three asset classes, depending on the current outlook for the various markets. The risk level of the Asset Manager fund(s) cannot be portrayed as a single point on the objective spectrum along with the other investment options because it can change periodically according to how the assets are invested.

If your plan offers Fidelity Freedom Funds® please note, the Fidelity Freedom Funds are not represented on the above spectrum because each fund (except Fidelity Freedom Income) will gradually adjust the asset allocation to be more conservative as the funds approach their target dates. The risk level of the Fidelity Freedom Funds cannot be portrayed as a single point on the objective spectrum along with the other investment options because they can change periodically according to how the assets are invested.

For a more complete discussion of risk associated with the mutual fund options, please read the prospectus before making your investment decision. The spectrum does not represent actual or implied performance.

Major Market Indices

Cumulative Total Return %
Period Ending 3/31/2007



Past performance is no guarantee of future results.

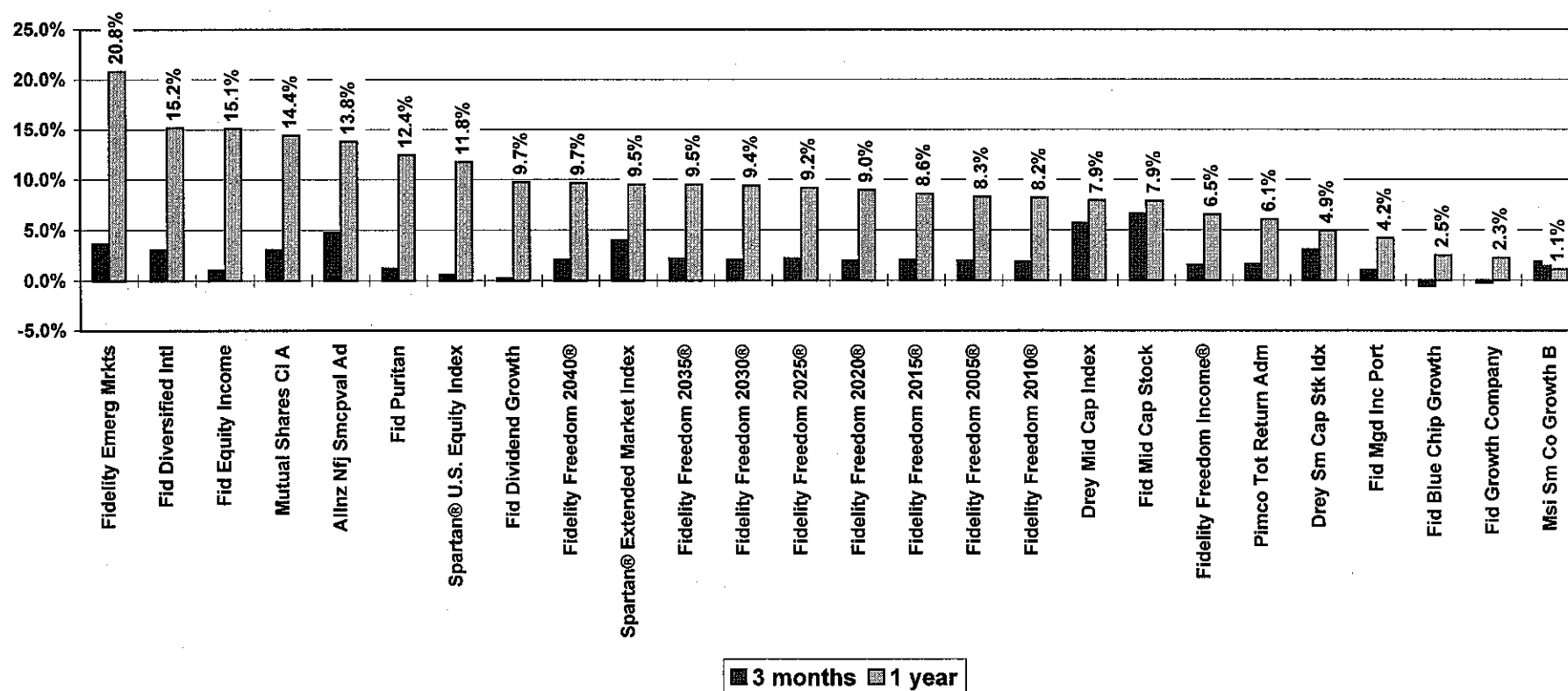
*The Citigroup 90-day Treasury Bill Index represents the average of T-Bill rates for each of the prior three months, adjusted to bond equivalent yield basis.

*The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index for investment-grade fixed-rate debt issues, including government, corpo rate, asset-backed, and mortgage-backed securities with maturities of at least one year. * The Dow Jones Industrial Average (Dow Jones) is an unmanaged index of common stocks of the 30 major industrial companies and assumes reinvestment of dividends.

*The S&P 500 is a registered service mark of the McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is a widely recognized, unmanaged index of 500 U.S. common stocks. * The NASDAQ Composite Index (NASDAQ), is an unmanaged index of over-the counter stock prices, does not assume reinvestment of dividends. * The MSCI EAFE Index (Morgan Stanley Capital International Europe, Australasia, and Far East, Index) is an unmanaged index and includes the reinvestment of dividends. It is designed to represent the performance of developed stock markets outside the United States and Canada. The MSCI EAFE Index is a registered service mark of Morgan Stanley and has been licensed for use by FMR Corp.

Individual Fund Performance

Cumulative Total Return %
Period Ending 3/31/2007



Past performance is no guarantee of future results.

Comparative Historical Performance

Fund Benchmark(s)	Average Annual Total Return % Period Ending 3/31/2007			Inception Date*	Short Term Trading Fee	Expense Ratio
	1 Year	5 Years	10 Years			
Fidelity Freedom 2020®	9.0%	7.7%	9.0%			0.7
Lipper Multi- Cap Core Funds Average	9.3%	6.7%	8.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
Fid Diversified Intl	15.2%	17.4%	13.2%		29 Days / 1.0%	1.01
Lipper International Funds Average	17.7%	14.3%	8.3%			
MSCI EAFE Index	20.4%	16.0%	8.5%			
Spartan® U.S. Equity Index	11.8%	6.2%	8.1%			0.1
Lipper S&P 500 Funds Average	11.2%	5.7%	7.7%			
S&P 500 Index	11.8%	6.3%	8.2%			
Allnz Nfj Smcpval Ad	13.8%	15.4%	14.0%			1.11
Fid Puritan	12.4%	7.9%	8.7%			0.62
 Fidelity Freedom 2040®	 9.7%	 8.1%	 1.9%	 * 9/6/2000		 0.76
Lipper Multi- Cap Core Funds Average	9.3%	6.7%	8.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
Fid Blue Chip Growth	2.5%	1.8%	5.6%			0.63
Lipper Large Cap Growth Fund Avg	3.6%	2.8%	5.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
Fid Mgd Inc Port	4.2%	4.3%	5.1%			

Im First Tier Money Market

recent average annual return data is published online each month end. Please visit PSWSM or call Fidelity for these most recent performance figures. Periods of market strength may not be repeated.

The performance data quoted represents past performance, which is no guarantee of future results. Share price, yield and return will vary and you may have a gain or loss when you sell your shares.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

Please see Footnote pages for important legal information.

*Return reflects life of fund from inception date shown.

Comparative Historical Performance

(Continued)

Average Annual Total Return %

Period Ending 3/31/2007

Fund Benchmark(s)

	1 Year	5 Years	10 Years	Inception Date*	Short Term Trading Fee	Expense Ratio
Fidelity Freedom 2010®	8.2%	6.7%	8.5%			0.62
Lipper Balanced Funds Average	8.8%	5.9%	7.0%			
S&P 500 Index	11.8%	6.3%	8.2%			
Mutual Shares CI A	14.4%	10.7%	11.0%		8 Days / 2.0%	1.16
Lipper Multi Cap Value Funds Avg	12.9%	8.7%	9.7%			
Russell 3000 Index	11.3%	7.2%	8.7%			
Pimco Tot Return Adm	6.1%	5.5%	6.8%		7 Days / 2.0%	0.68
Lipper Intermediate Investment Grade Debt Avg	6.1%	4.9%	5.7%			
Lehman Brothers Aggregate Bond Index	6.6%	5.4%	6.5%			
Drey Mid Cap Index	7.9%	10.2%	13.7%			0.51
Fidelity Freedom 2025®	9.2%	N/A	10.8%	* 11/6/2003		0.72
Fid Mid Cap Stock	7.9%	8.6%	14.0%		29 Days / 0.75%	0.72
Lipper Multi- Cap Core Funds Average	9.3%	6.7%	8.9%			
S&P Midcap 400 Index	8.4%	10.7%	14.3%			
Fid Equity Income	15.1%	8.1%	9.3%			0.68
Lipper Equity Income Funds Average	14.6%	8.2%	8.8%			
Russell 3000 Value Index	16.2%	10.5%	11.0%			
Fidelity Freedom 2015®	8.6%	N/A	9.4%	* 11/6/2003		0.67
Fidelity Freedom Income®	6.5%	4.5%	6.0%			0.51
Lipper Income Funds Avg	8.9%	6.9%	6.5%			
Lehman Brothers Aggregate Bond Index	6.6%	5.4%	6.5%			

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

*Return reflects life of fund from inception date shown.

Comparative Historical Performance

(Continued)

Average Annual Total Return %

Period Ending 3/31/2007

Fund Benchmark(s)

	1 Year	5 Years	10 Years	Inception Date*	Short Term Trading Fee	Expense Ratio
Fidelity Freedom 2030®	9.4%	8.0%	9.0%			0.74
Lipper Multi- Cap Core Funds Average	9.3%	6.7%	8.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
Fid Dividend Growth	9.7%	4.2%	9.8%			0.6
Lipper Large- Cap Core Funds Average	9.9%	5.0%	6.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
Msi Sm Co Growth B	1.1%	11.5%	15.9%		30 Days / 2.0%	1.29
Lipper Mid-Cap Growth Funds Average	3.6%	7.2%	8.9%			
Russell 2000 Growth Index	1.6%	7.9%	6.3%			
Fid Growth Company	2.3%	7.0%	9.8%			0.97
Lipper Multi- Cap Growth Funds Average	5.0%	5.9%	8.1%			
Russell 3000 Growth Index	6.5%	3.8%	5.5%			
Spartan® Extended Market Index	9.5%	12.3%	8.0%	* 11/5/1997	89 Days / 0.75%	0.1
Lipper Mid Cap Core Funds Avg	9.0%	9.7%	11.0%			
Dow Jones Wilshire 4500 Completion Index	9.6%	12.6%	10.5%			
Fidelity Freedom 2035®	9.5%	N/A	11.8%	* 11/6/2003		0.75
Fidelity Freedom 2005®	8.3%	N/A	7.9%	* 11/6/2003		0.62
Drey Sm Cap Stk Idx	4.9%	11.3%	10.6%	* 6/30/1997		0.51
Fidelity Emerg Mrkts	20.8%	24.8%	4.6%		89 Days / 1.5%	1.11
Lipper Emerging Markets Average	20.1%	24.1%	9.7%			
Ms Emerging Markets Free	21.0%	24.8%	8.8%			

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

*Return reflects life of fund from inception date shown.

**NORTH DAKOTA PUBLIC EMPLOYEES'
DEFINED CONTRIBUTION PLAN
RETIREMENT BD OF PUBLIC EE**

Service Review for the Year Ended 3/31/2007

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**Fidelity Investments®
Tax-Exempt Services Company**

A division of Fidelity Investments Institutional Services Company, Inc.

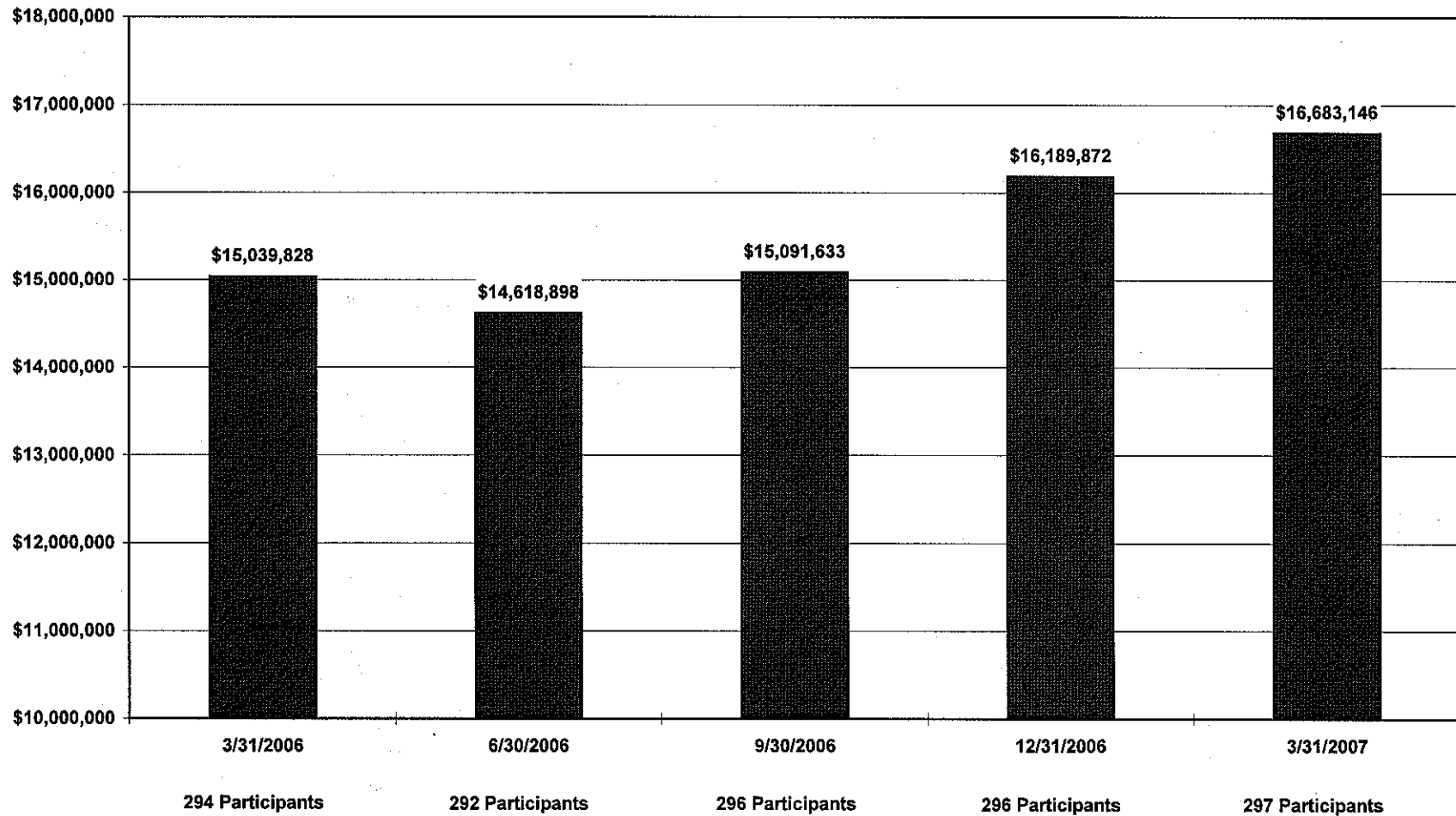
82 Devonshire Street, Boston, MA 02109



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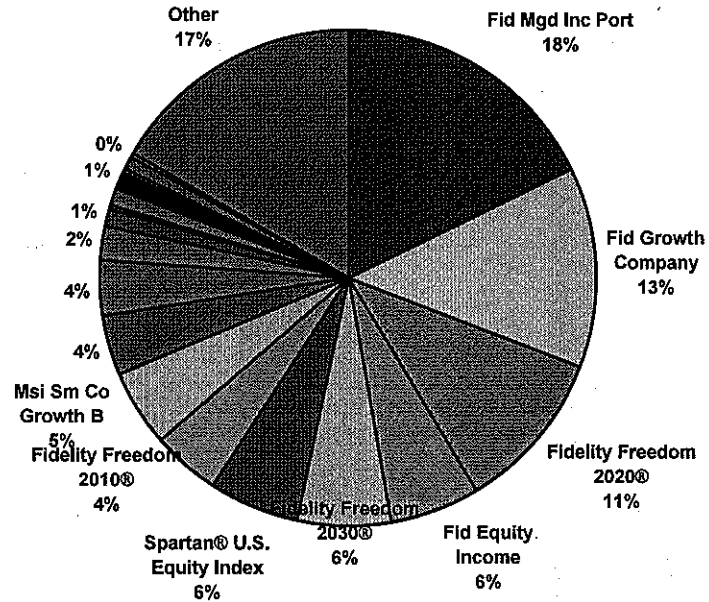
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Plan Assets Under Management at Fidelity



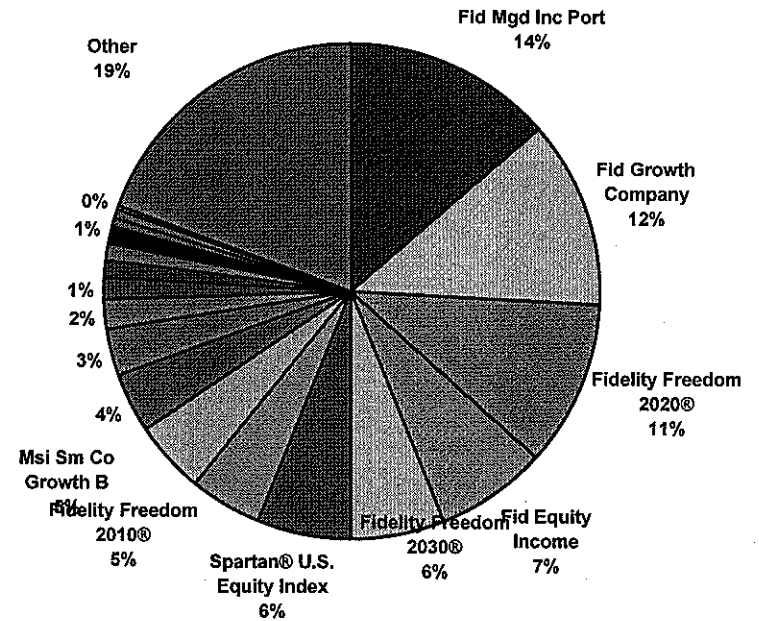
Asset Allocation by Fund

as of 4/1/2006



Total Market Value: \$15,039,828

as of 3/31/2007



Total Market Value: \$16,683,146

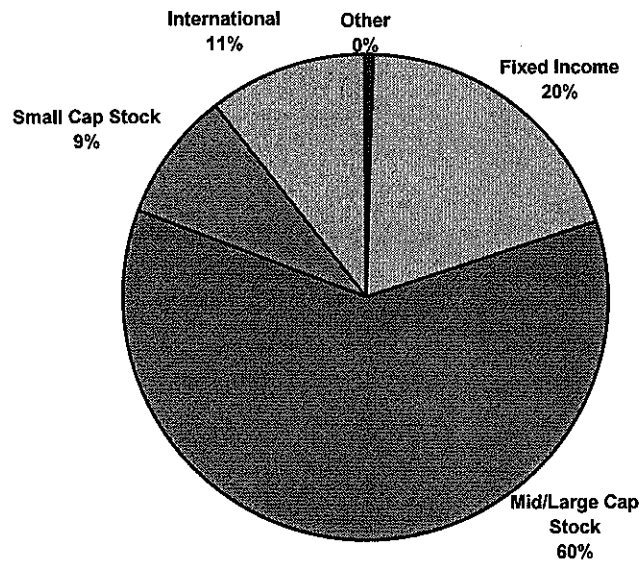
■ Fid Mgd Inc Port	■ Fid Growth Company	■ Fidelity Freedom 2020®	■ Fid Equity Income	■ Fidelity Freedom 2030®
■ Spartan® U.S. Equity Index	■ Fidelity Freedom 2010®	■ Msi Sm Co Growth B	■ Pimco Tot Return Adm.	■ Fid Puritan
■ Fidelity Low Pr Stk	■ Fidelity Freedom 2040®	■ Fid Dividend Growth	■ Fid Mid Cap Stock	■ Allnz Nfj Smcpval Ad
■ Fidelity Freedom 2025®	■ Fid Blue Chip Growth	■ Fidelity Freedom Income®	■ Other	

The information on this page is updated monthly on PSW.

Comparative Asset Allocation

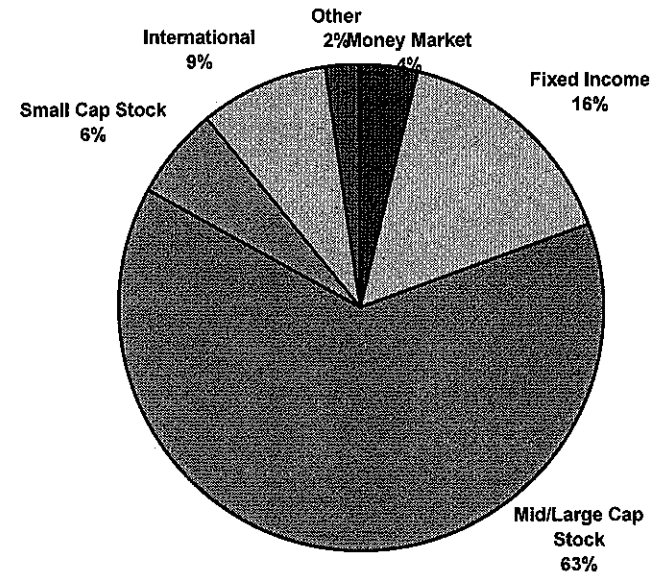
as of 3/31/2007

NORTH DAKOTA PUBLIC EMPLOYEES' DEFINED CONTRIBUTION PLAN RETIREMENT BD OF PUBLIC EE



Total Market Value: \$16,683,146

AVG. FITSCO PUBLIC SECTOR*



Average Market Value: \$164,134,076

■ Money Market ■ Fixed Income ■ Mid/Large Cap Stock ■ Small Cap Stock ■ International ■ Other

* The values in this chart represent the sum of the balances in each fund class for a representative sample of retirement plans serviced by Fidelity Investments.

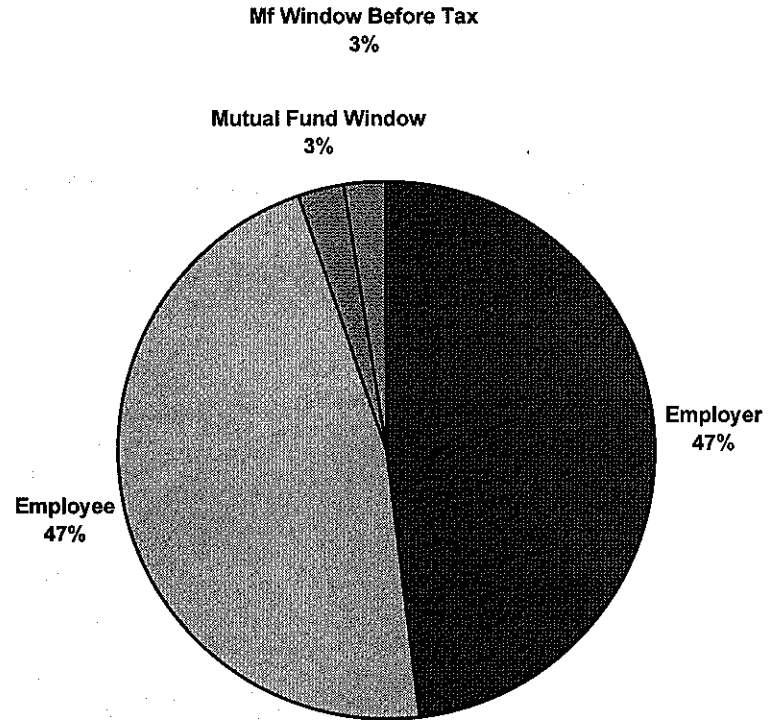
Contributions by Source

4/1/2006 - 3/31/2007

Sources of Contributions	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total
Employer	\$ 122,705	\$ 128,333	\$ 129,494	\$ 132,111	\$ 512,642
Employee	\$ 118,870	\$ 124,334	\$ 125,149	\$ 128,113	\$ 496,467
After Tax	\$ 261	\$ 261	\$ 573	\$ 154	\$ 1,249
Mutual Fund Window	\$ 6,656	\$ 6,838	\$ 6,586	\$ 7,688	\$ 27,768
Mf Window Before Tax	\$ 6,462	\$ 6,639	\$ 6,394	\$ 7,464	\$ 26,959
Total Contributions	\$ 254,954	\$ 266,404	\$ 268,197	\$ 275,531	\$ 1,065,085

Source Contributions

For the period 4/1/2006 - 3/31/2007

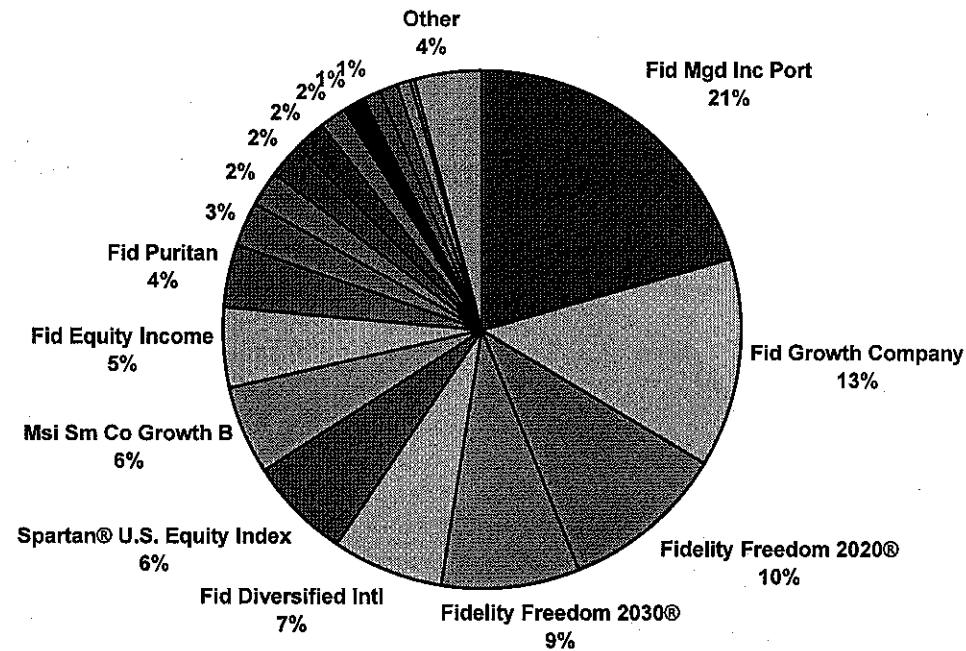


Total Contributions: \$1,065,085
--

■ Employer ■ Employee ■ Mutual Fund Window ■ Mf Window Before Tax

Contribution Allocation

4/1/2006 - 3/31/2007



Total Contributions: \$1,065,085

■ Fid Mgd Inc Port	■ Fid Growth Company	■ Fidelity Freedom 2020®	■ Fidelity Freedom 2030®	■ Fid Diversified Intl
■ Spartan® U.S. Equity Index	■ Msi Sm Co Growth B	■ Fid Equity Income	■ Fid Puritan	■ Fidelity Freedom 2040®
■ Fidelity Freedom 2010®	■ Fidelity Low Pr Stk	■ Pimco Tot Return Adm	■ Fid Mid Cap Stock	■ Fid Blue Chip Growth
■ Fid Dividend Growth	■ Allnz Nfj Smcpval Ad	■ Fidelity Freedom 2025®	■ Fidelity Freedom Income®	■ Other

The information on this page is updated monthly on PSW.

Cash Flow Summary

<i>Cash Inflow:</i>	Year Ending 3/31/2006	Year Ending 3/31/2007
Balance Forward(1)	\$45,962	\$38,881
Contributions	\$1,105,519	\$1,065,085
Total Cash Inflow:	\$1,151,481	\$1,103,966

<i>Cash Outflow:</i>	Year Ending 3/31/2006	Year Ending 3/31/2007
Withdrawals	(\$509,237)	(\$709,768)
Fees	(\$12,652)	(\$9,363)
Total Cash Outflow:	(\$521,889)	(\$719,131)

NET CASH FLOW:	\$629,592	\$384,835
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Definitions of Cash Flow Items:

(1) Balance Forward - Conversion/Outside assets updated to participant accounts
The information on this page is updated monthly on PSW.

Participant Overview

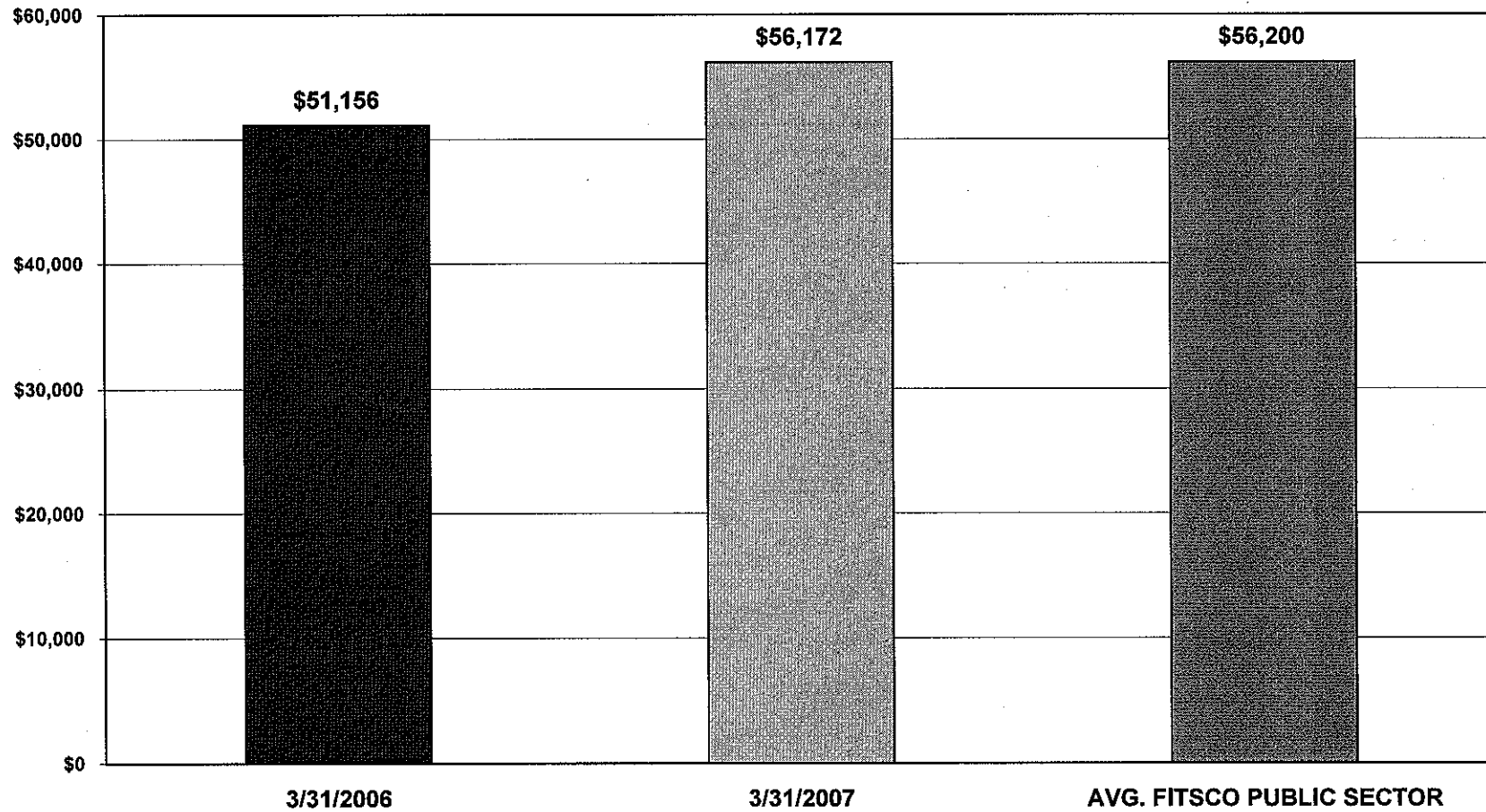
Total #	4/1/2006	3/31/2007
Participants (1)	294	297
Inactive Participants (2)	0	0
Suspended w/Balances (3)	0	0
Terminated w/ Balances (4)		
< \$5,000	4	5
> \$5,000	48	49
Active Participants (5)	242	243

Definitions of Participant Totals

- (1) Participants: Number of Participants with Account Balances.
- (2) Inactive Participants: Number of Participants with Status Codes of 'I' or 'Q' with Balances (Example: Participants who have revoked their contribution deferral percent; however, are still employees).
- (3) Suspended w/Balances: Number of Participants with Status Code of 'S' with Balances (Example: Participants who have taken financial hardship withdrawals and are suspended for a period of time per the plan document).
- (4) Terminated w / Balances: Number of Participants with Status Codes of 'T', 'R', or 'D' with Balances.
- (5) Active Participants: Number of Participants with a Status Code of 'A' with Balances.

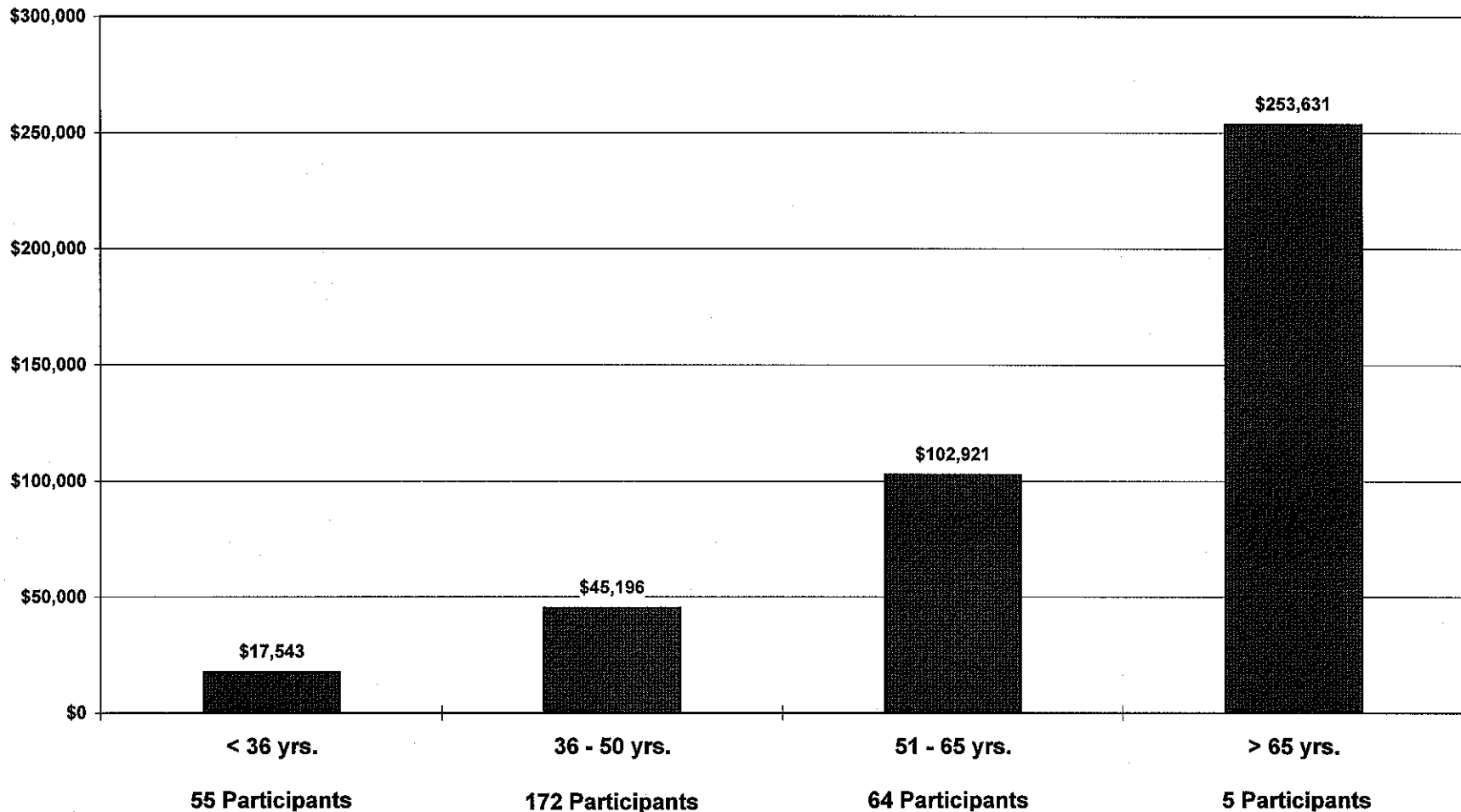
This data is not intended for IRS Form 5500 filing purposes.

Average Participant Balance



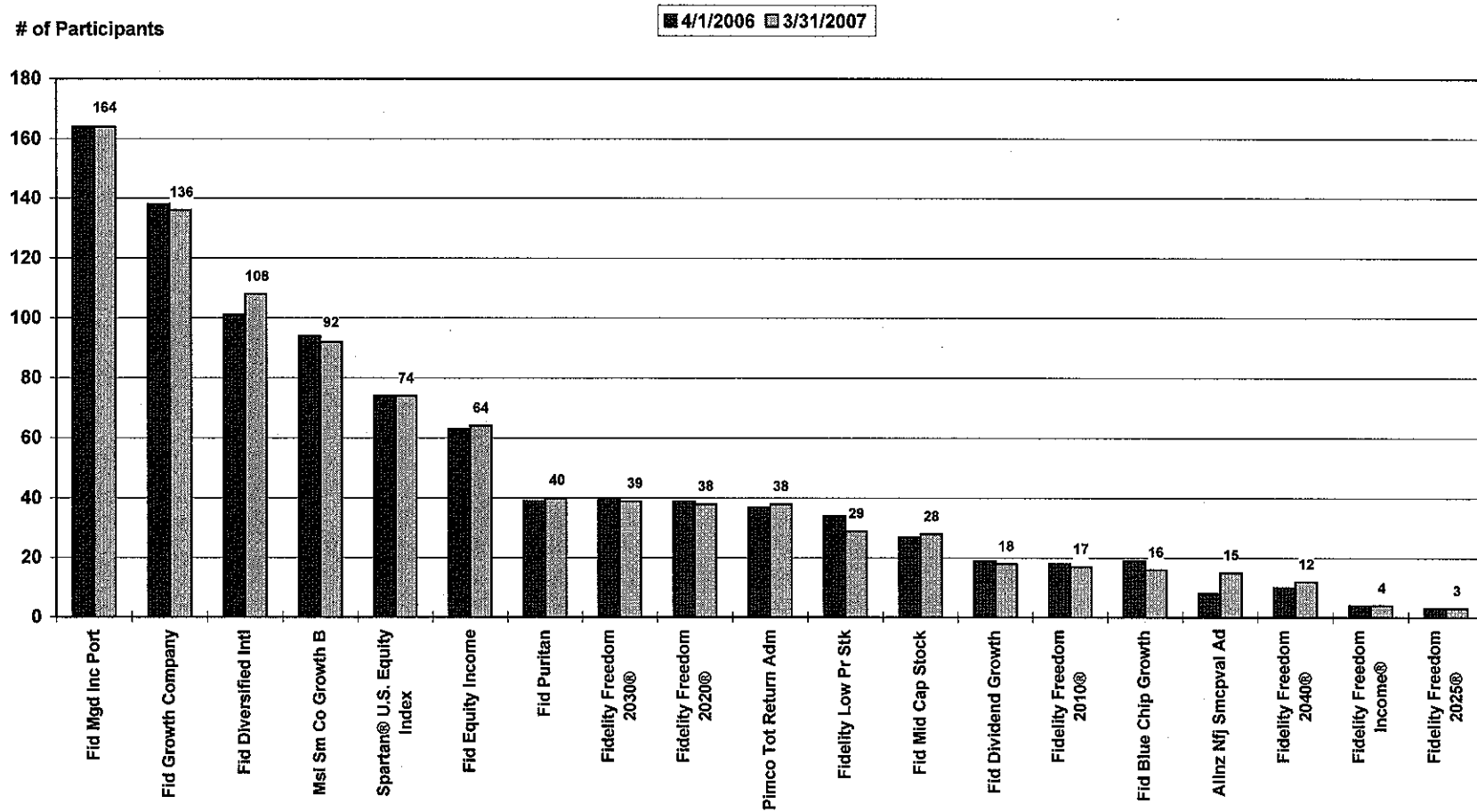
Average Balance by Age

as of 3/31/2007



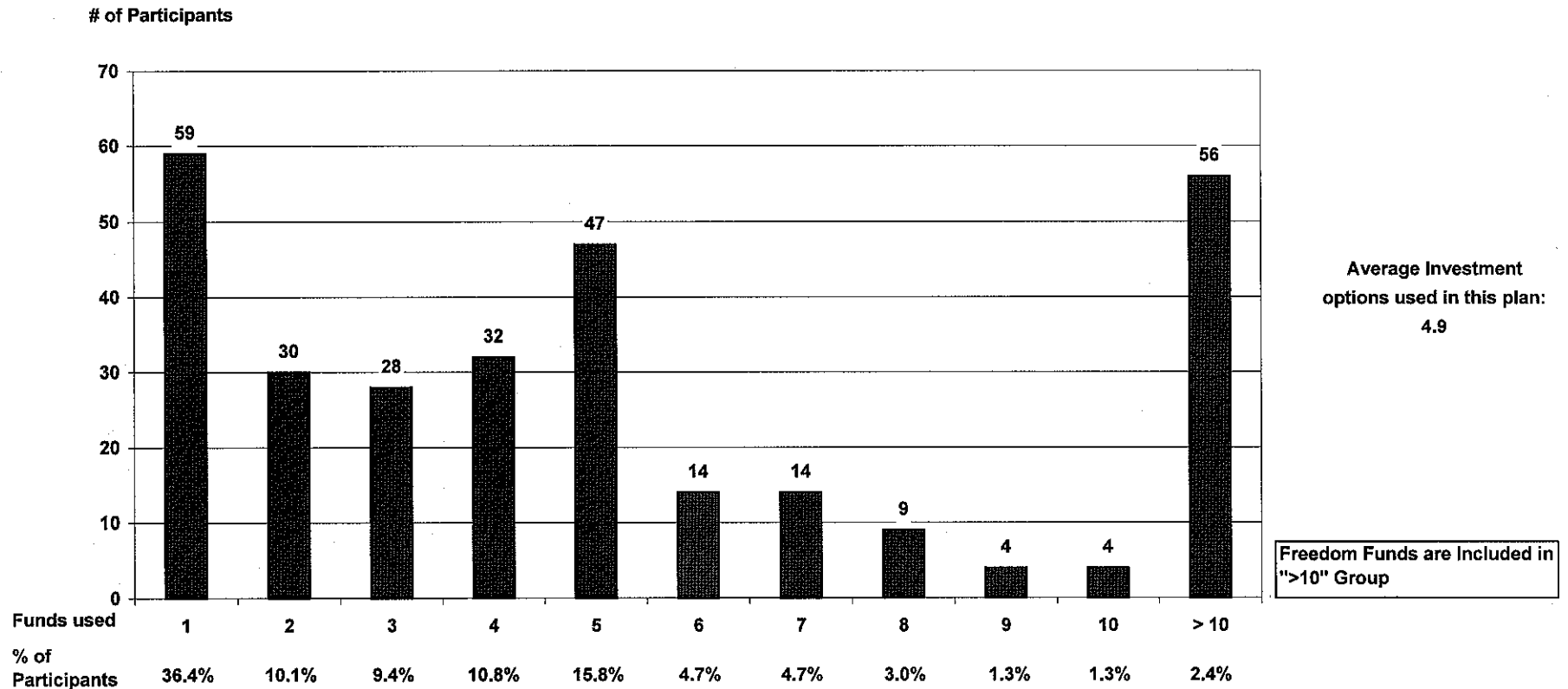
NOTE: The 'No birth date on record' category includes participants with unknown birth dates and any plan level accounts, such as the forfeiture account.

Participants with a Balance by Fund



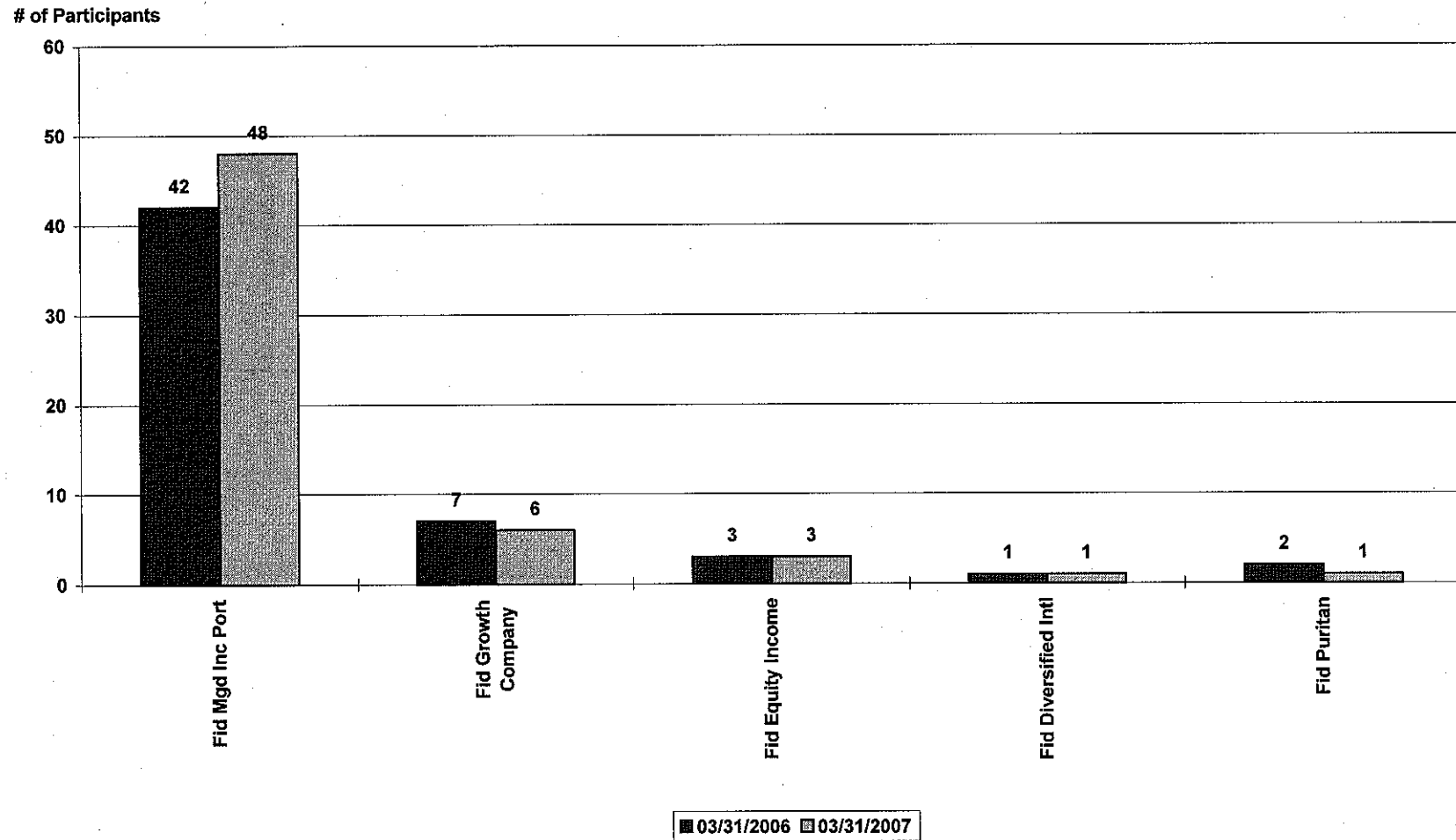
Number of Funds per Participant

as of 3/31/2007



- **AVG. FITSCO PUBLIC SECTOR offers 62.1 funds.**
- **An AVG. FITSCO PUBLIC SECTOR participant uses 3.1 funds.**

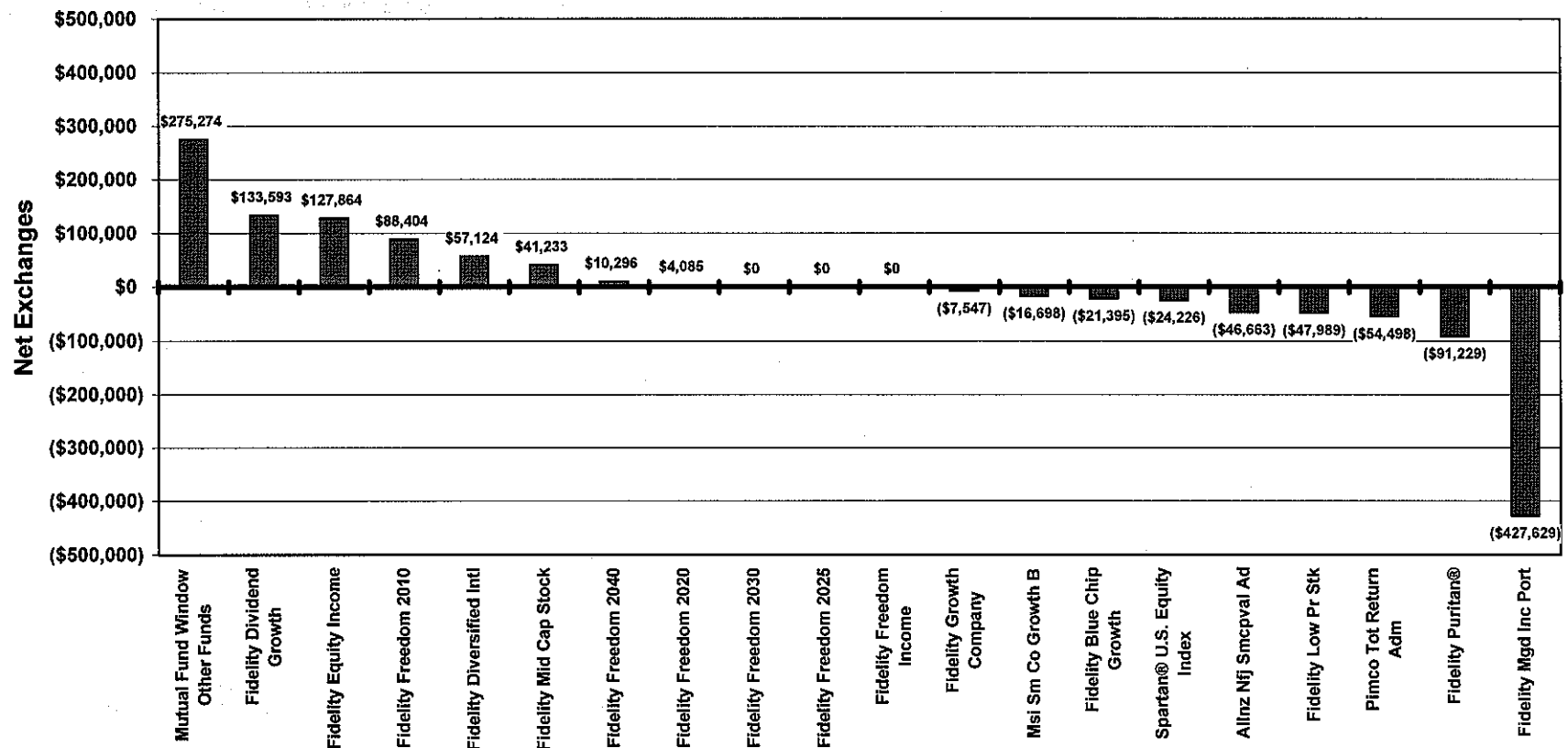
Single Fund Balances



The values in this chart represent the number of participants whose balances are invested 100% in the indicated fund.

Net Exchange Activity*

4/1/2006 - 3/31/2007



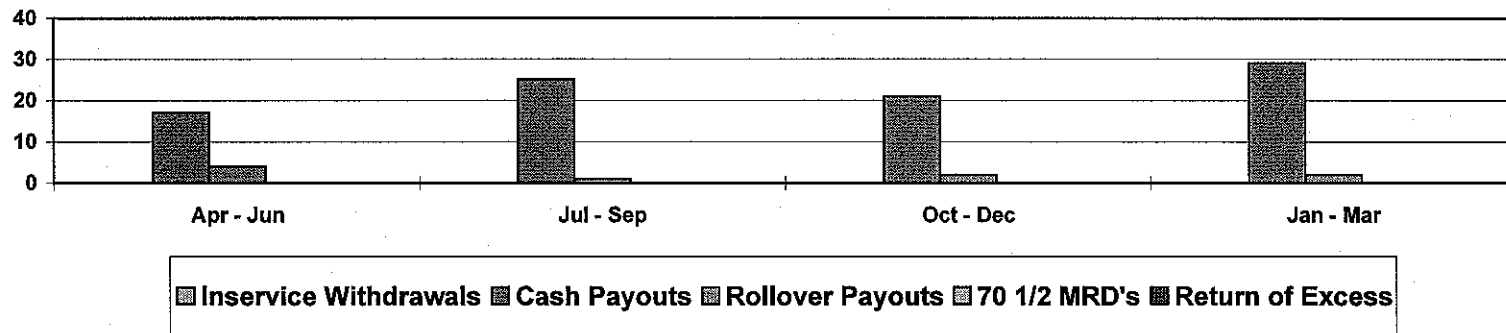
* The Columns of the chart represent the net value of Exchanges into and out of the fund during the period. This chart does not reflect Contributions, Dividends, Withdrawals, or any other transactions that affect the fund balance.

Distribution Activity

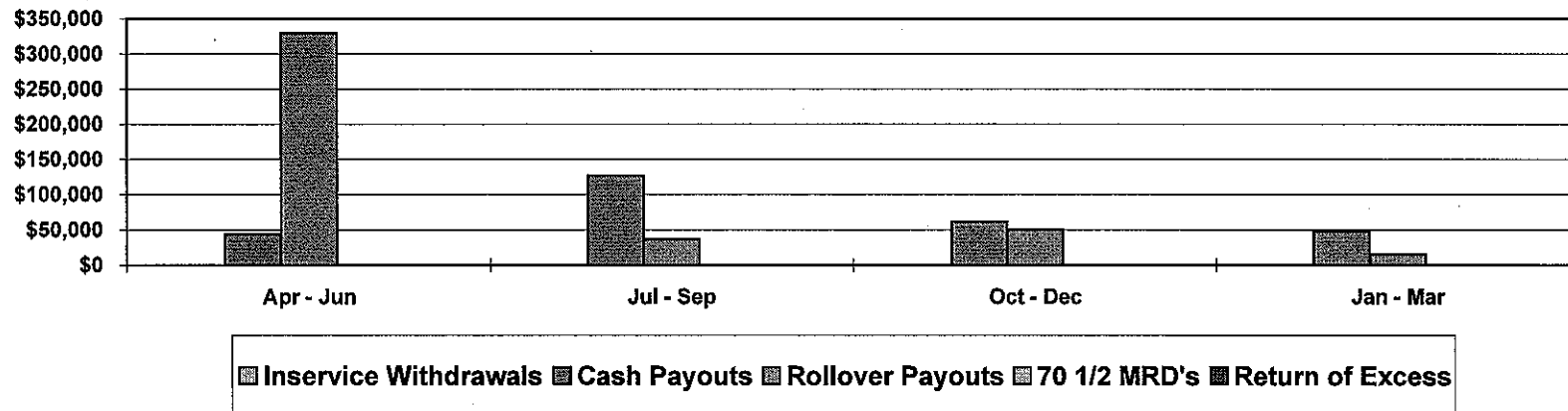
4/1/2006 - 3/31/2007

Volumes

of Distributions



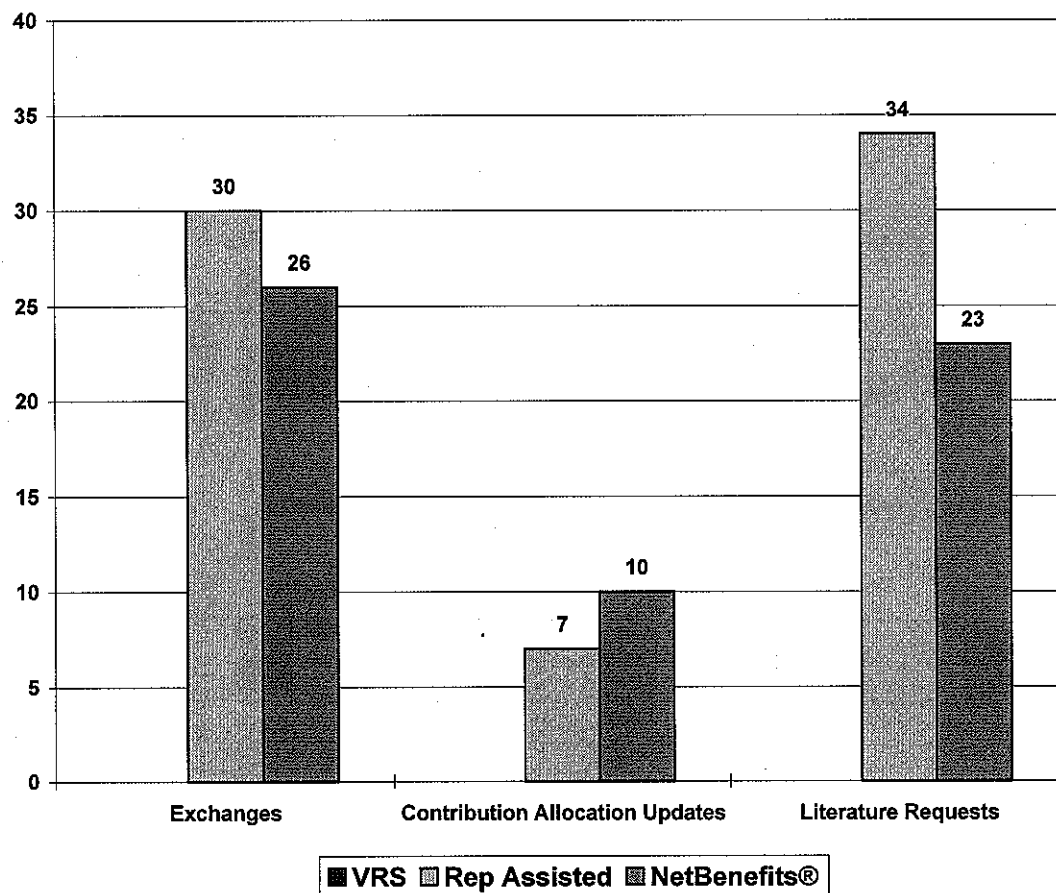
Dollars



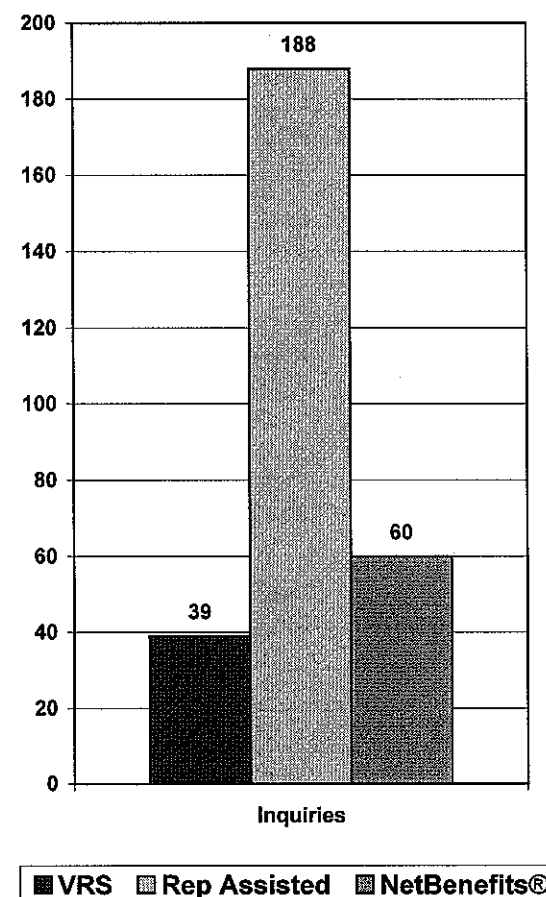
Participant Account Activity by Type

4/1/2006 - 3/31/2007

Update Transactions

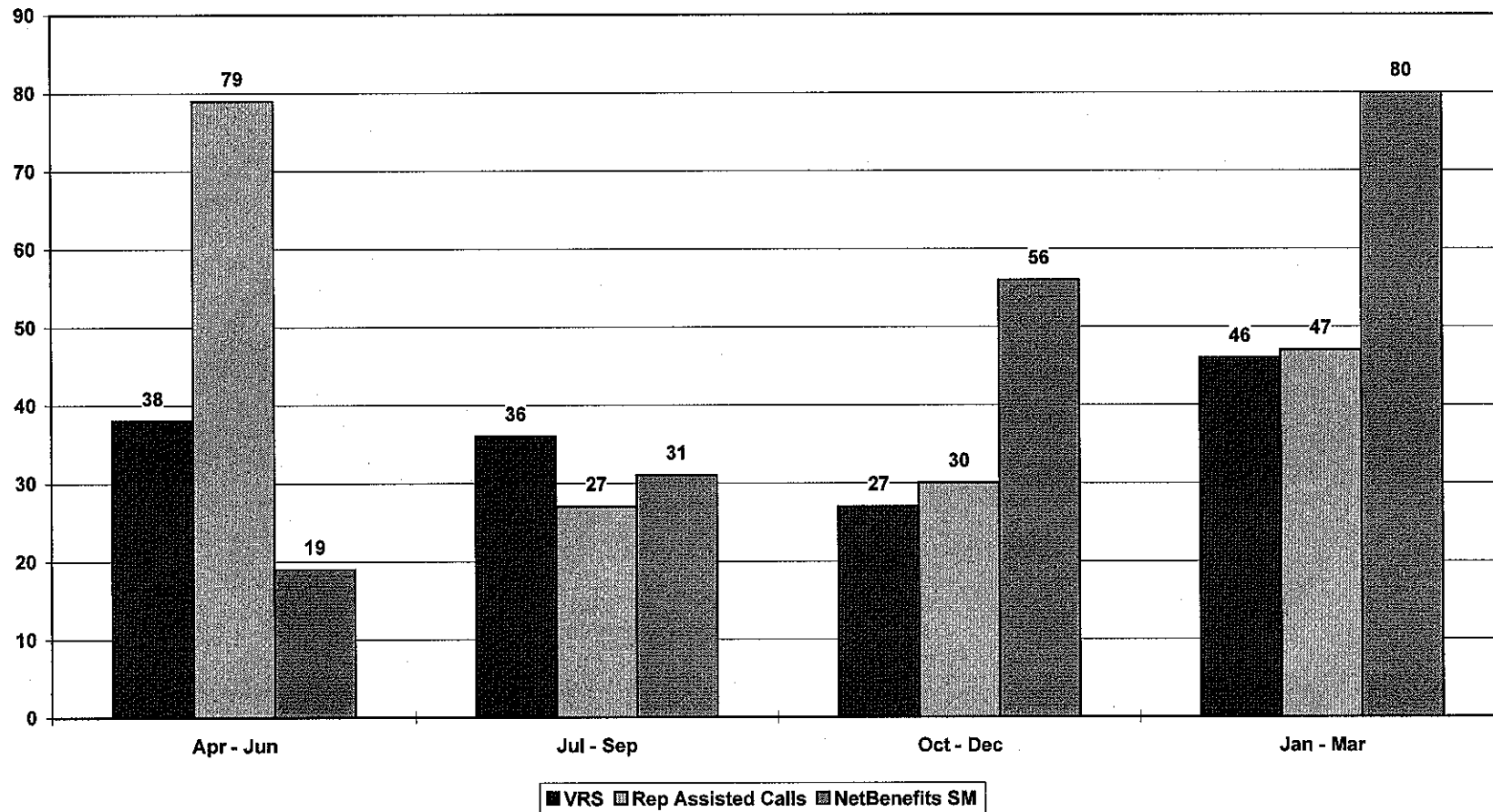


Inquiry Only



Participant Access Volumes

4/1/2006 - 3/31/2007

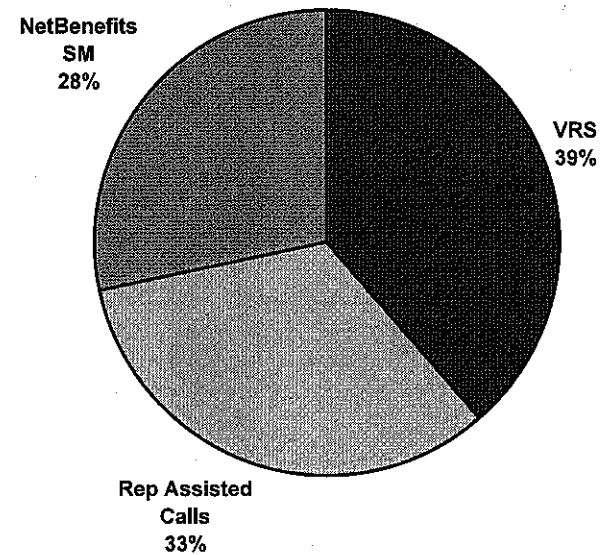
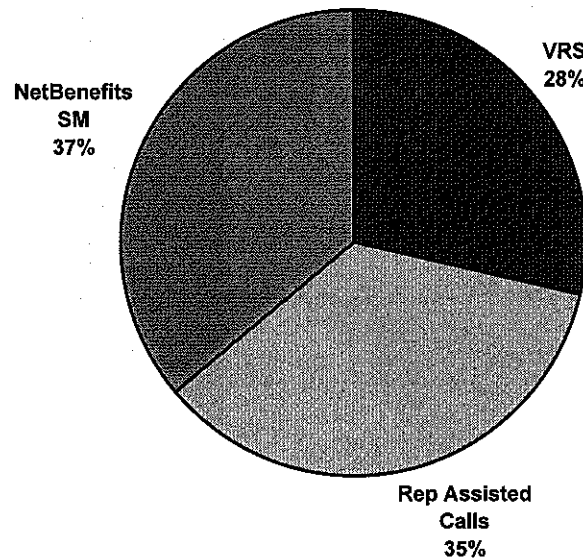


Account Access Comparison

4/1/2006 - 3/31/2007

**NORTH DAKOTA PUBLIC EMPLOYEES'
DEFINED CONTRIBUTION PLAN
RETIREMENT BD OF PUBLIC EE**

AVG. FITSCO PUBLIC SECTOR



Investment Options

More Conservative Potentially less investment risk and more inflation risk				More Aggressive Potentially more investment risk and less inflation risk			
Money Market	Stable Value	Fixed Income	Balanced	Domestic Equity	International	Specialty	Company Stock
	Fidelity Mgd Inc Port	Allor. Tr. Return Adm.	Fidelity Puritan	Fidelity Growth Co. Fidelity Equity Income Standard & Poor 500 Indx Mid-Sm Cap Growth P. Fidelity Low P/B Stk Fidelity Dividend Growth Fidelity Mid-Cap Stock Allor. NEI Sm Cap Val Dreyfus Mid-Cap Indx Dreyfus Sm Cap Indx Fidelity Chip Growth Mid-Cap Stk	Fidelity Diversified Intl		

Other Investment Options:

Fidelity Freedom Inc® Fidelity Freedom 2000® Fidelity Freedom 2005® Fidelity Freedom 2010® Fidelity Freedom 2015® Fidelity Freedom 2020®
 Fidelity Freedom 2025® Fidelity Freedom 2030® Fidelity Freedom 2035® Fidelity Freedom 2040® Fidelity Freedom 2045® Fidelity Freedom 2050®

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based the options' Morningstar categories (Large Value, Mid-Cap Value, Small Value, Large Blend, Mid-Cap Blend, Small Blend, Large Growth, Mid-Cap Growth, Small Growth) as of 12/31/01. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. For more information on the investment options in the Domestic Equity category, visit www.Morningstar.com. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions.

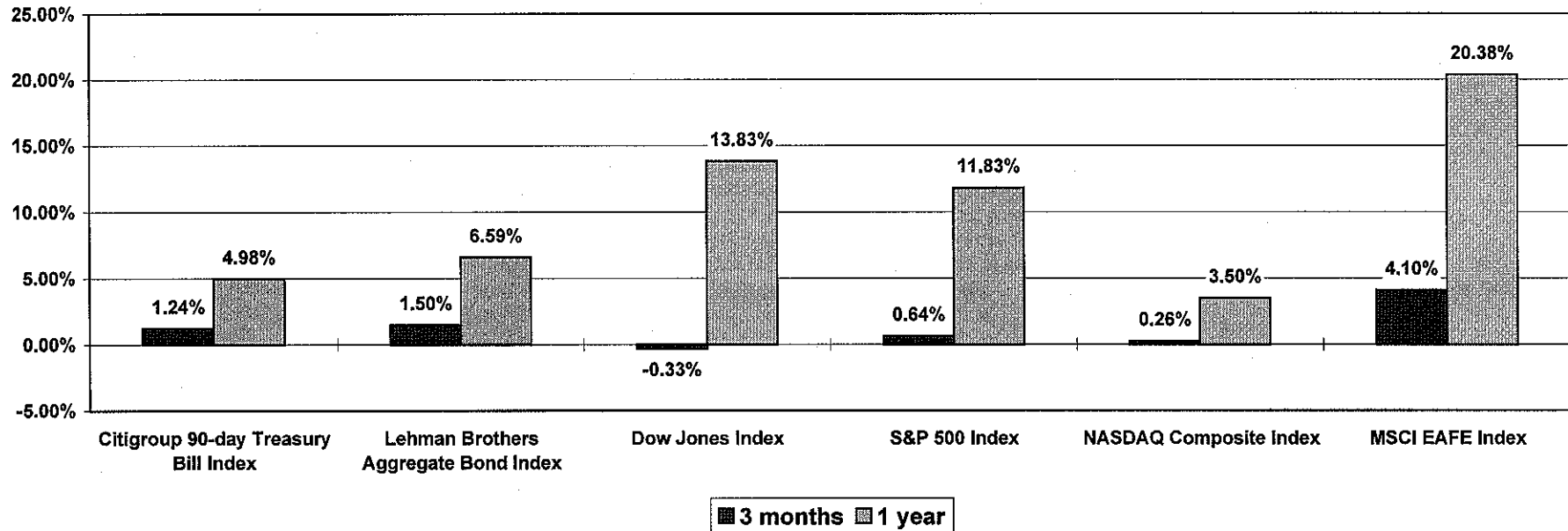
If your plan offers Asset Manager funds please note, the portfolio manager of each of the Asset Manager funds has the flexibility to periodically shift investments between the three asset classes, depending on the current outlook for the various markets. The risk level of the Asset Manager fund(s) cannot be portrayed as a single point on the objective spectrum along with the other investment options because it can change periodically according to how the assets are invested.

If your plan offers Fidelity Freedom Funds ® please note, the Fidelity Freedom Funds are not represented on the above spectrum because each fund (except Fidelity Freedom Income) will gradually adjust the asset allocation to be more conservative as the funds approach their target dates. The risk level of the Fidelity Freedom Funds cannot be portrayed as a single point on the objective spectrum along with the other investment options because they can change periodically according to how the assets are invested.

For a more complete discussion of risk associated with the mutual fund options, please read the prospectus before making your investment decision. The spectrum does not represent actual or implied performance.

Major Market Indices

Cumulative Total Return %
Period Ending 3/31/2007



Past performance is no guarantee of future results.

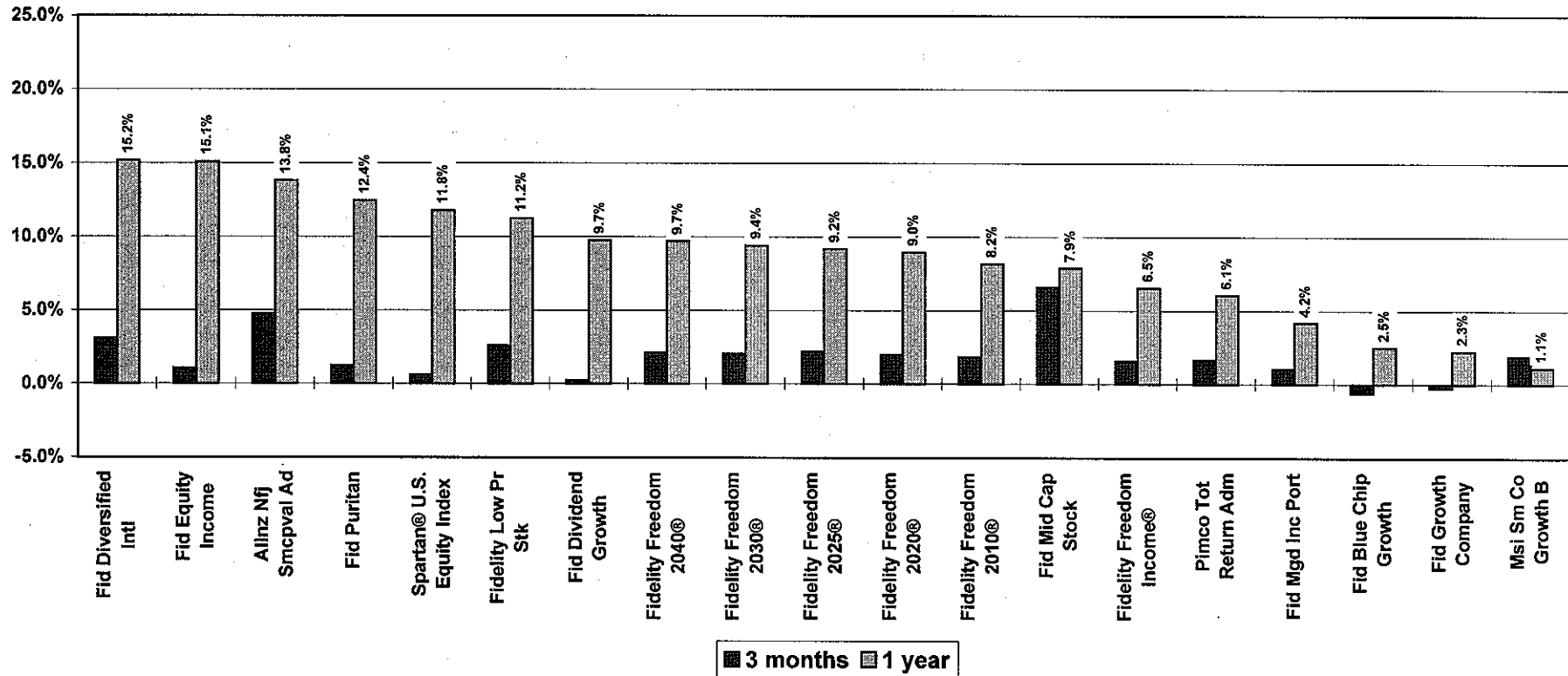
*The Citigroup 90-day Treasury Bill Index represents the average of T-Bill rates for each of the prior three months, adjusted to bond equivalent yield basis.

*The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index for investment-grade fixed-rate debt issues, including government, corpo rate, asset-backed, and mortgage-backed securities with maturities of at least one year. * The Dow Jones Industrial Average (Dow Jones) is an unmanaged index of common stocks of the 30 major industrial companies and assumes reinvestment of dividends.

*The S&P 500 is a registered service mark of the McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is a widely recognized, unmanaged index of 500 U.S. common stocks. * The NASDAQ Composite Index (NASDAQ), is an unmanaged index of over-the counter stock prices, does not assume reinvestment of dividends. * The MSCI EAFE Index (Morgan Stanley Capital International Europe, Australasia, and Far East, Index) is an unmanaged index and includes the reinvestment of dividends. It is designed to represent the performance of developed stock markets outside the United States and Canada. The MSCI EAFE Index is a registered service mark of Morgan Stanley and has been licensed for use by FMR Corp.

Individual Fund Performance

Cumulative Total Return %
Period Ending 3/31/2007



Past performance is no guarantee of future results.

Comparative Historical Performance

Fund Benchmark(s)	Average Annual Total Return % Period Ending 3/31/2007			Inception Date*	Short Term Trading Fee	Expense Ratio
	1 Year	5 Years	10 Years			
Fid Mgd Inc Port	4.2%	4.3%	5.1%			
Fid Growth Company	2.3%	7.0%	9.8%			0.97
Lipper Multi- Cap Growth Funds Average	5.0%	5.9%	8.1%			
Russell 3000 Growth Index	6.5%	3.8%	5.5%			
Fidelity Freedom 2020®	9.0%	7.7%	9.0%			0.7
Lipper Multi- Cap Core Funds Average	9.3%	6.7%	8.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
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S&P 500 Index	11.8%	6.3%	8.2%			
Spartan® U.S. Equity Index	11.8%	6.2%	8.1%			0.1
Lipper S&P 500 Funds Average	11.2%	5.7%	7.7%			
S&P 500 Index	11.8%	6.3%	8.2%			

Mutual fund performance changes over time and currently may be significantly lower than stated. Most recent average annual return data is published online each month end. Please visit PSWSM or call Fidelity for these most recent performance figures. Periods of market strength may not be repeated.

The performance data quoted represents past performance, which is no guarantee of future results. Share price, yield and return will vary and you may have a gain or loss when you sell your shares.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

Please see Footnote pages for important legal information.

Comparative Historical Performance

(Continued)

Average Annual Total Return %

Period Ending 3/31/2007

Fund Benchmark(s)

	1 Year	5 Years	10 Years	Inception Date*	Short Term Trading Fee	Expense Ratio
Fidelity Freedom 2010®	8.2%	6.7%	8.5%			0.62
Lipper Balanced Funds Average	8.8%	5.9%	7.0%			
S&P 500 Index	11.8%	6.3%	8.2%			
Msi Sm Co Growth B	1.1%	11.5%	15.9%		30 Days / 2.0%	1.29
Lipper Mid-Cap Growth Funds Average	3.6%	7.2%	8.9%			
Russell 2000 Growth Index	1.6%	7.9%	6.3%			
Pimco Tot Return Adm	6.1%	5.5%	6.8%		7 Days / 2.0%	0.68
Lipper Intermediate Investment Grade Debt Avg	6.1%	4.9%	5.7%			
Lehman Brothers Aggregate Bond Index	6.6%	5.4%	6.5%			
Fid Puritan	12.4%	7.9%	8.7%			0.62
Fidelity Low Pr Stk	11.2%	14.7%	15.6%		89 Days / 1.5%	0.88
Lipper Small- Cap Value Funds Average	8.0%	12.3%	12.5%			
Russell 2000 Index	5.9%	11.0%	10.2%			
Fidelity Freedom 2040®	9.7%	8.1%	1.9%	* 9/6/2000		0.76
Lipper Multi- Cap Core Funds Average	9.3%	6.7%	8.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
Fid Dividend Growth	9.7%	4.2%	9.8%			0.6
Lipper Large- Cap Core Funds Average	9.9%	5.0%	6.9%			
S&P 500 Index	11.8%	6.3%	8.2%			

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

*Return reflects life of fund from inception date shown.

Comparative Historical Performance

(Continued)

Average Annual Total Return %

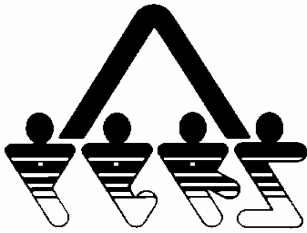
Period Ending 3/31/2007

Fund Benchmark(s)

	1 Year	5 Years	10 Years	Inception Date*	Short Term Trading Fee	Expense Ratio
Fid Mid Cap Stock	7.9%	8.6%	14.0%		29 Days / 0.75%	0.72
Lipper Multi- Cap Core Funds Average	9.3%	6.7%	8.9%			
S&P Midcap 400 Index	8.4%	10.7%	14.3%			
Allnz Nfj Smcpval Ad	13.8%	15.4%	14.0%			1.11
Fid Blue Chip Growth	2.5%	1.8%	5.6%			0.63
Lipper Large Cap Growth Fund Avg	3.6%	2.8%	5.9%			
S&P 500 Index	11.8%	6.3%	8.2%			
Fidelity Freedom Income®	6.5%	4.5%	6.0%			0.51
Lipper Income Funds Avg	8.9%	6.9%	6.5%			
Lehman Brothers Aggregate Bond Index	6.6%	5.4%	6.5%			
 Fidelity Freedom 2025®	 9.2%	 N/A	 10.8%	 * 11/6/2003		 0.72

The current yield reflects the current earnings of the fund, while the total return refers to a specific past holding period.

*Return reflects life of fund from inception date shown.



North Dakota
Public Employees Retirement System
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Sparb Collins
Executive Director
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1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-INFO@ND.GOV • www.nd.gov/ndpers

Memorandum

TO: NDPERS Board

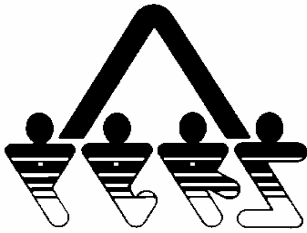
FROM: Kathy

DATE: June 13, 2007

SUBJECT: Deferred Compensation – Automatic Enrollment Update

During the last legislative session Senate Bill 2047, to allow for automatic enrollment of new employees in the deferred compensation, was vetoed by the Governor. In 2005 the Board approved the concept of an Expedited Enrollment for employees in order to raise PEP awareness and participation. The program was implemented on a prospective basis for all new eligible employees effective August 1, 2005. Under this option all new employees are required to waive their rights if they do not wish to participate in PEP. If they elect not to waive their rights to PEP, there is a simplified enrollment form that will enroll them in the Fidelity Freedom Fund (default option) at the \$25.00 minimum monthly contribution amount. The employee has the option to elect out of the default option at any time as well as retain all other rights allowed under the 457 regulations. If the employee waives rights to PEP upon employment no enrollment occurs; however, this does not prohibit them from participating at any time in the future.

As we will not be implementing the automatic enrollment for the deferred compensation plan, staff will continue to promote the expedited enrollment for employees to raise PEP awareness and to encourage participation in supplemental retirement savings plans. This topic was on our agenda for our Payroll Conference conducted on June 13. An outline of the advantages of PEP as it relates to participation in the defined benefit and deferred compensation plans was outlined along with the enrollment requirements and expedited enrollment option. We will continue to address this issue through our various communication channels to our participating members and employers.



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Memorandum

TO: NDPERS Board

FROM: Kathy

DATE: June 13, 2007

SUBJECT: Deferred Comp – ING Request

ING was put on a "Loss of Active Provider Status" per the Board's action at its July 2005 meeting. Under this type of suspension, ING and its agents may not enroll any new participants. However, it may continue to receive contributions from existing participants. The sanction was imposed because ING elected not to sign the Provider Administrative Agreement as amended in 2005. A notice was sent to ING informing them of this action and providing a 30-day time period in which to respond. On August 15, 2005 we received a letter from ING acknowledging our notice and accepting the suspension. The suspension has been in effect since that time.

During the last legislative session, Senate Bill 2205 was passed. This bill provided that child enforcement officers that are employees of a regional office must transfer to the Department of Human Services effective July 1, 2007. This bill affected approximately 120 employees. PERS staff is working with Human Services in order to address any issues relating to enrollment or transfer of enrollment information for these employees. During this process, we were notified by an agent with ING that there are five Ward County enforcement officers currently enrolled with ING through the county's deferred compensation plan. With the transfer to Human Services, these individual can no longer contribute to these accounts. ING inquired about allowing these individuals to roll over these accounts to the ING group established for the State's 457 plan. We reminded ING that the Loss of Active Provider Status prohibits them from enrolling new participants. In response, they have submitted a request for the Board to consider allowing an exception to the suspension and allow the five Ward County employees to roll over their accounts to ING under the State's plan. The letter is attached for your information.

BOARD ACTION REQUESTED

Approve or reject ING's request to allow an exception to the current Loss of Active Provider Status in order to roll over the Ward County employees' accounts to the State's 457 plan.



Dan Eastman
Regional Manager

June 11, 2007

TO: Kathy Allen
North Dakota PERS

ING would like the ND PERS Board to consider making an exception for the following employees;

We would like to request that the above listed former Ward County Employees be able to continue doing business with ING. Which includes contributions, transactions, etc. to their ING retirement plan.

Please contact me with any questions at 612.492.0216.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Eastman", with a long, sweeping horizontal line extending to the right.

Dan Eastman
Regional Manager

100 Washington Ave. S. • Suite 730
Minneapolis, MN 55401
Toll Free: 800.365.4049, Ext. 216
Email: eastmand@ing-afs.com

Tel.: 612.492.0216
Fax: 612.492.0227

*Registered Representative of
ING Financial Advisers, L.L.C. • Member SIPC*



L.R. Wechsler, Ltd.

North Dakota Public Employees Retirement System

Legacy Application System Review Project

Monthly Status Report – May 31, 2007

Activities and tasks accomplished this reporting period

- Procurement Activities
 - Developed the Requirements Traceability Matrix (RTM)
 - Participated in support calls with NDPERS and Doreen Gridley regarding contract terms and conditions
 - Participated in support calls with NDPERS, individually and together with Sagitec, regarding open procurement issues and resolution of same.

Activities planned for the next month

- Procurement Activities
 - Participate in contract negotiations and other discussions and meetings as necessary.

Problems Encountered this Period

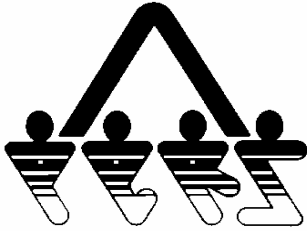
- None

Reconciliation of Progress

- None

Problems Anticipated Next Period

- None



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Memorandum

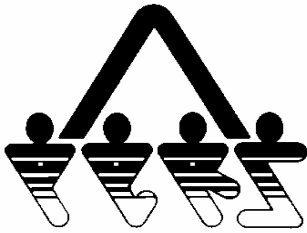
TO: NDPRS Board

FROM: Election Committee
Howard Sage – Chair
Joan Ehrhardt
Ron Leingang

DATE: June 12, 2007

SUBJECT: Election Results

The deadline to return ballots is Friday, June 15, 2007. Canvassing will be conducted on Monday, June 18, 2007 at 9:00 at the NDPERS office. A complete accounting of the election results will be provided prior to the meeting.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: June 12, 2007
SUBJECT: Legislative Employee Benefits Committee

The interim Legislative Employee Benefits Committee has been appointed and assigned its responsibilities as follows:

EMPLOYEE BENEFITS PROGRAMS COMMITTEE

(9 members)

Receive notice from a firefighters relief association concerning service benefits paid under a special schedule (NDCC § 18-11-15)

Receive annual report from the Board of Trustees of the Teachers' Fund for Retirement regarding annual test of actuarial adequacy of statutory contribution rate (NDCC § 15-39.1-10.11)

Receive periodic reports from the Central Personnel Division on the implementation, progress, and bonuses provided by state agency programs to provide bonuses to recruit or retain employees in hard-to-fill positions (NDCC § 54-06-31)

Review legislative measures and proposals affecting public employees retirement programs and health and retiree health plans (NDCC § 54-35-02.4)

Approve terminology adopted by the Public Employees Retirement System Board to comply with federal requirements (NDCC § 54-52.1-08.2)

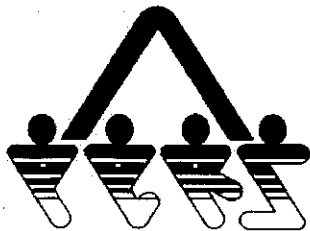
Chairman: Representative Bette Grande
Vice Chairman: Senator Ralph L. Kilzer

Representatives

Glassheim, Eliot	619 North Third Street	Grand Forks	58203-3203
Grande, Bette	3510 42 nd Avenue South	Fargo	58104-6669
Kasper, Jim	1128 Westrac Drive	Fargo	58103-2342
Klein, Matthew M.	1815 Seventh Street NW	Minot	58703-1314
Kroeber, Joe	1210 Seventh Avenue SE	Jamestown	58401-5618

Senators

Kilzer, Ralph L.	1982 Mesquite Loop	Bismarck	58503-0198
Krebsbach, Karen K.	P.O. Box 1767	Minot	58702-1767
Olafson, Curtis	13041 84 th Street NE	Edinburg	58227-9624
Tallackson, Harvey D.	7039 141 st Avenue NE	Grafton	58237-9157



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Memorandum

TO: NDPERS Board

FROM: Jamie Kinsella, Internal Auditor *Jamie*

DATE: May 23, 2007

SUBJECT: February 21, 2007 PERS Audit Committee Minutes

Attached are the approved minutes from the February 21, 2007 meeting. Those who attended the meeting are available to answer any questions you may have.

These minutes may also be viewed on the NDPERS web site at www.nd.gov/ndpers.

The next audit committee meeting is scheduled for August 22, 2007, 10:30 a.m. in the NDPERS Conference Room.

Attachment



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MEMORANDUM

TO: Audit Committee
Jon Strinden
Ron Leingang

FROM: Jamie Kinsella, Internal Auditor *Jamie*

DATE: February 23, 2007

SUBJECT: February 21, 2007 Audit Committee Meeting

In Attendance:

Jon Strinden via conference call
Ron Leingang
Rebecca Dorwart
Jamie Kinsella
Sparb Collins
Sharon Schiermeister
Leon Heick

The meeting was called to order at 10:34 a.m.

I. December 6, 2006 Audit Committee Minutes

The audit committee minutes were examined and approved by the Audit Committee.

II. Internal Audit Quarterly Report

- A. Internal Audit Status Update – Included with the audit committee minutes was the Internal Audit quarterly report which listed all of the projects that are in active status.
- B. Quarterly Audit Finding Status Report – As stated in the Audit Policy #103, the Internal Audit Division is to report quarterly to management and the audit committee the status of the audit findings of the external auditors, as well as any found by the internal auditor. The report included recommendations made by Brady Martz during the 2006 fiscal year end audit. Recommendations by Internal Audit are included after the final audit report has been issued to management that includes their responses to the recommendations. A review of the updated report showed that no progress was made during this period. The primary reason for this is the Business Replacement Project, which took up much of staff's time.

III. Administrative

- A. Update on Group Insurance Staffing Status – Ms. Kinsella provided an update on the Group Insurance staffing status since the last Audit Committee meeting. Discussion followed.
- B. Internal Audit Plan for 2007 – Ms. Kinsella conveyed because of the time involved in the Group Insurance Division, she had not been able to develop an Internal Audit Plan for 2007. Ms. Kinsella indicated she hoped to have a plan developed by the next Audit Committee meeting in May for the latter half of the calendar year.
- C. Pharmacy Benefits Manager (PBM) Project – Mr. Collins provided an update on the situation with this project.

IV. Miscellaneous

- A. Audit Committee Meeting - The next Audit Committee meeting will be held on May 23, 2007 at 10:30am in the NDPERS Conference room, Wells Fargo Bank Building.
- B. FlexComp PeopleSoft – The NDPERS FlexComp Program uses the PeopleSoft software for administration of the FlexComp plan. Staff has experienced issues with the recent upgrade. Discussion followed. Ms. Schiermeister will provide an update at the next Audit Committee meeting.
- D. Publications – A copy of "The Role of Auditing in Public Sector Governance" was included with the Audit Committee materials for information only.
- E. Annual Performance Evaluation – Mr. Collins inquired how the Audit Committee wanted to handle Ms. Kinsella's performance evaluation. Mr. Strinden and the Audit Committee members concurred to do the same as in the past. Mr. Collins will compile the information for their review.

The meeting adjourned at 11:15 a.m.